



DEPARTMENT OF COMMERCE

**BUDGET, PERFORMANCE AND
PROGRAM ANALYSIS
HANDBOOK**

DECEMBER 2008

OFFICE OF BUDGET
DEPARTMENT OF COMMERCE

**INTRODUCTION TO THE
BUDGET, PERFORMANCE AND PROGRAM ANALYSIS HANDBOOK**

GENERAL

- A. This *Handbook* was developed to provide guidance to the Department of Commerce operating units' budget offices in preparing their budget submission and in meeting other Departmental budget reporting requirements. This is largely a summary of information that can be found in the Budget of the U.S. Government. Much of this material expands on guidance from the Office of Management and Budget (OMB). This *Handbook* consists of the following five volumes:
- 1) Volume I: Introduction
 - 2) Volume II: Laws and Regulations
 - 3) Volume III: Budget Formulation
 - 4) Volume IV: Congressional Review and Action on the President's Budget
 - 5) Volume V: Budget Execution
- B. Additional sources of information are provided below.
- 1) OMB Circular A-11:
http://www.whitehouse.gov/omb/circulars/a11/current_year/a11_toc.html
 - 2) Principles of Federal Appropriations Law:
<http://www.gao.gov/special.pubs/d04261sp.pdf>
 - 3) MAX Homepage:
<https://max.omb.gov/maxportal/>
 - 4) Treasury Financial Manual:
<http://fms.treas.gov/tfm/index.html>
 - 5) Federal Account Symbols and Titles: The FAST Book:
<http://fms.treas.gov/fastbook/index.html>
 - 6) The Budget System and Concepts:
<http://www.whitehouse.gov/omb/budget/fy2008/pdf/concepts.pdf>
 - 7) Glossary of Terms Used in the Federal Budget Process:
<http://www.gao.gov/new.items/d05734sp.pdf>

VOLUME I - INTRODUCTION

TABLE OF CONTENTS

	Page Number
Section 1 Handbook Authority, Purpose, Organization, and Responsibilities	<u>I - 1</u>
Authority	<u>I - 1</u>
Purpose	<u>I - 1</u>
Organization	<u>I - 1</u>
Responsibilities	<u>I - 2</u>
Section 2 Budget Process	<u>I - 3</u>
Major Steps in the Formulation Phase (Table A)	<u>I - 4</u>
Major Steps in the Congressional Phase (Table B)	<u>I - 6</u>
Major Steps in the Execution Phase (Table C)	<u>I - 7</u>
Section 3 Glossary of Budget Terms and Concepts	<u>I - 8</u>
Additional Resources	<u>I - 8</u>
Definitions	<u>I - 8</u>

**SECTION 1 – HANDBOOK AUTHORITY, PURPOSE, ORGANIZATION, AND
RESPONSIBILITIES**

A. Authority

- 1) The *Budget, Performance and Program Analysis Handbook* is issued pursuant to Department Administrative Order 200-0, which provides for the issuance and maintenance of handbooks and manuals.
- 2) The Office of Budget's primary responsibility is coordinating the preparation and presentation of the Department's annual budget request. The Office also supports long-range planning, conducts Department-level budget execution activities, supports development of performance measures, and assists operating units in implementing Commerce budget procedures and policies.

B. Purpose

- 1) The purpose of the *Handbook* is to provide basic guidelines and instructions regarding formulation, presentation, execution and control of the budget of the Department of Commerce. It establishes Department-wide procedures, practices and standards for all aspects of the budget and performance process and provides guidance to operating units and offices in preparing related materials.
- 2) The *Handbook* provides Commerce Department-specific guidance and instructions beyond those found in [OMB Circular A-11](#), Preparation, Submission, and Execution of Budget. For additional Federal budget and performance guidance and instructions, refer to the latest version of [OMB Circular A-11](#), which can be found at <http://www.whitehouse.gov/omb>.
- 3) Annual and supplementary instructions will be issued to operating units for those aspects of the Department of Commerce budget process for which procedures vary from year to year. Instructions for special, one-time requirements will be issued as needed. Revisions to the *Handbook* will be made in such a manner as to allow timely preparation of budget materials.

C. Organization

- 1) The major parts of the *Handbook* correspond to the key elements of the budget and performance process: formulation and presentation of the secretarial budget, the OMB budget, the President's/congressional budget; the congressional review and appropriation process; and budget execution.

D. Responsibilities

- 1) Responsibilities of Departmental officials in the various phases of the budget process are set forth in applicable sections of the *Handbook*. Responsibilities relating to the *Handbook* are as follows:
 - i) Heads of operating units are responsible for establishing procedures that support the proper preparation and timely submission of materials required by the *Handbook*.
 - ii) The Office of Budget is responsible for:
 - (a) the timely issuance and revision of sections of the *Handbook*; and
 - (b) the interpretation of policies, standards, criteria, and instructions incorporated into the *Handbook*.
- 2) The Office of Budget is responsible for reviewing all materials prepared pursuant to the requirements of the *Handbook* for conformance to specifications. The Office of Budget must ensure that end products meet *Handbook*, as well as [OMB Circular A-11](#), specifications, and may, in the absence of satisfactory material received from operating units, revise the material.
- 3) Requests for exceptions to the guidelines or procedures set forth in the *Handbook* must be made in writing to the Director, Office of Budget.

SECTION 2 – BUDGET PROCESS

- A. The following tables highlight the major events in each of the phases of the budget process. Much of this is cited from [OMB Circular A-11](#). These tables show the planned timing or, when applicable, the timing specified in law. The actual timing may vary. For example, the Congress frequently does not enact all appropriation acts by the start of the fiscal year, and on several occasions a President has submitted the budget later than specified for various reasons, including late enacted appropriations for the previous fiscal year.
- B. Budget schedules with more specific activities and due dates are issued throughout the fiscal year by the Office of Budget.
- 1) Table A - Major Steps in the Formulation Phase
 - 2) Table B - Major Steps in the Congressional Phase
 - 3) Table C - Major Steps in the Execution Phase

A. Major Steps in the Formulation Phase

TABLE A - MAJOR STEPS IN THE FORMULATION PHASE

Action	Time
<p>The Secretary issues budget guidance to heads of operating units and calls for a Secretarial budget request to be delivered to the Office of Budget.</p> <p>OMB issues Spring planning guidance to Executive Branch agencies for the upcoming budget. The OMB Director issues a letter to the head of each agency providing policy guidance for the agency’s budget request. Absent more specific guidance, the outyear estimates included in the previous budget serve as a starting point for the next budget. This begins the process of formulating the budget the President will submit the following February.</p>	Spring
<p>The Office of Budget performs a review of operating unit budget requests with senior Departmental management in light of Administration and Secretarial guidance. A passback is issued; operating units may appeal; and a final budget is decided by the Secretary, which becomes the OMB budget submission.</p>	Summer
<p>OMB releases revised Circular A-11.</p>	June - July
<p>Executive Branch agencies submit initial budget estimates to OMB.</p>	September
<p>OMB conducts its Fall review. The OMB staff analyzes agency budget proposals in light of presidential priorities, program performance, and budget constraints. The Office of Budget and operating units cooperate with and assist OMB staff during this period.</p>	October - November
<p>OMB briefs the President and senior advisors on proposed budget policies. The OMB Director recommends a complete set of budget proposals to the President after OMB has reviewed all agency requests and considered overall budget policies.</p>	Late November
<p>OMB issues their passback to all Executive Branch agencies at the same time about the decisions on their budget requests.</p>	Late November
<p>All agencies enter MAX computer data and submit print materials and additional data. This process begins immediately after passback and continues until OMB must “lock” agencies out of the database in order to meet the printing deadline.</p>	Late November through early January

Action	Time
Executive Branch agencies may appeal to OMB and the President. An agency head may ask OMB to reverse or modify certain decisions. All appeals are coordinated through the Office of Budget and subject to final review by the Secretary.	December
Agencies prepare and OMB reviews congressional budget justification materials. Agencies prepare the budget justification materials needed to explain their budget requests to the responsible congressional subcommittees. All operating unit justifications are provided to the Office of Budget for review and final distribution to the Congress.	December through January
President transmits the budget to the Congress.	First Monday in February

B. Major Steps in the Congressional Phase

TABLE B - MAJOR STEPS IN THE CONGRESSIONAL PHASE

Action	Time
Congressional Budget Office (CBO) reports to Budget Committees on the economic and budget outlook.	January
CBO produces its own estimates of the President’s Budget based on its own economic and technical assumptions.	February
Other committees submit “views and estimates” to House and Senate Budget Committees. Committees indicate their preferences regarding budgetary matters for which they are responsible.	Within 6 weeks of budget transmittal
The Congress completes action on the concurrent resolution on the budget. The Congress commits itself to broad spending and revenue levels by passing a budget resolution including the discretionary budget authority ceiling that will be later allocated to the twelve appropriation subcommittees in both Houses of Congress.	April 15
Congressional appropriations committees hold hearings and report on their respective bills. The Office of Budget and operating units assist the Secretary in preparing for the overall Department hearings and provide answers to congressional inquiries resulting from the hearings. Individual operating units hearings are held upon requests by congressional members. All information provided to congressional staff related to operating unit budget requests is coordinated through the Office of Budget.	March through April
House may consider appropriations bills even in the absence of a concurrent resolution on the budget.	May 15
House Appropriations Committee reports last appropriations bill.	June 10
The Congress completes action on reconciliation legislation.	June 15
House completes action on appropriations bills.	June 30
The Congress needs to complete action on appropriations bill for the upcoming fiscal year. The Congress completes action on regular appropriations bills or passes a "continuing resolution" (a stop-gap appropriations bill).	September 30

C. Major Steps in the Execution Phase

TABLE C - MAJOR STEPS IN THE EXECUTION PHASE

Action	Time
Operating units submit initial apportionments to Office of Budget reporting those amounts available without further action by the Congress, i.e. permanent appropriations, unobligated balances, and anticipated offsetting collections and recoveries of prior year obligations.	August 5
Office of Budget forwards initial apportionments to OMB.	August 21
Fiscal year begins.	October 1
OMB apportions funds made available in the budget process. Agencies submit apportionment requests with financial plans to OMB for each budget account through the Office of Budget, and OMB approves or modifies the apportionment, which specifies the amount of funds agencies may use by time period, program, project, or activity. Agencies submit apportionment to OMB within 10 calendar days after the approval of the appropriation.	September 10 (or within 30 days after approval of a spending bill)
Operating units submit reapportionment requests requiring changes to a current quarter.	Fifteen days prior to the end of the quarter
Agencies incur obligations and make outlays to carry out the funded programs, projects, and activities. Agencies hire people, enter into contracts, enter into grant agreements, etc. in order to carry out their programs, projects, and activities.	Throughout the fiscal year
Operating units provide staffing plans to Office of Budget.	January 16
Operating units submit monthly financial reports with variance explanations to the Office of Budget.	By the 16th of each month beginning in January
Operating units submit outlay estimates by month for the current year, with updates and estimates for the budget year as required by OMB Circular A-11 and requested by the Department of Treasury.	October, January, April, and July
Fiscal year ends.	September 30

SECTION 3 – GLOSSARY OF BUDGET TERMS AND CONCEPTS

A. Additional Resources

- 1) Additional resources for budget terms and concepts are provided below.
 - i) Section 20 of Circular A-11, Terms and Concepts
http://www.whitehouse.gov/omb/circulars/a11/current_year/s20.pdf
 - ii) OMB's publication, The Budget System and Concepts
<http://www.whitehouse.gov/omb/budget/fy2008/pdf/concepts.pdf>
 - iii) The GAO publication, Glossary of Terms Used in the Federal Budget Process
<http://www.gao.gov/new.items/d05734sp.pdf>

B. Definitions

Appropriation Account - The basic unit for which appropriations are made in an appropriations act. For spending that is not provided in an appropriations act, an account is an item for which there is a designated budget account identification number in the President's Budget.

Accounts Payable - Amounts owed for goods and services.

Accounts Receivable - Amounts owed to an account for goods furnished and services rendered. Such amounts include reimbursements earned and refunds receivable.

Accrual Basis of Accounting - A system of accounting in which revenues are recorded when earned and expenses are recorded in the period incurred, regardless of when payment is received or made. (See also cash basis of accounting.)

Activity - In general terms, any project, task, or process required to carry out a program. A combination of several activities, such as research and development, training of personnel, and distribution of information, may be elements in a particular program. Activities constituting a program vary with the nature and purpose of the program. In budget justifications and the Budget Appendix, activity is the first level below the appropriation.

Adjustments-to-Base (ATBs) - Uncontrollable resource changes required in 20BY to provide the same level of services as was requested/funded in 20CY. Examples of standard ATBs include pay raises, annualization of 20CY program increases, changes in benefit participation and contribution rates, and other known cost changes.

Administrative Control of Funds - Legally required procedures which: (1) restrict obligations against each appropriation or fund to the amount of the apportionments, allotments, or resources available involving such funds; and (2) enable the head of the agency to fix the responsibility for the creation of an obligation in excess of these levels. A system of administrative control of funds is required under 31 U.S.C. 1514.

Allocation - This term has two definitions: (1) For purposes of Government accounting, an allocation is the amount of obligational authority transferred from one agency, operating unit, or account to another agency, operating unit or account that is set aside in a transfer appropriation account to carry out the purposes of the parent appropriation or fund. For example, allocations are made when one or more agencies share the administration of a program for which appropriations are made to only one of the agencies or the President; (2) for purposes of section 302(a) of the Congressional Budget Impoundment and Control Act of 1974, an allocation is the distribution of the total budget outlays or total new budget authority in a concurrent resolution on the budget to the various committees having spending responsibilities.

Allotment - Authority delegated by the head or other authorized employee of an agency to agency employees to incur obligations within a specified amount pursuant to OMB apportionment or reapportionment or other statutory authority making funds available for obligation.

Allowances - In the budget formulation/review processes, allowances refer to amounts included in the President's Budget request or projections to cover possible additional proposals, such as statutory pay increases and contingencies for relatively uncontrollable programs and other requirements. As used by the Congress in a concurrent resolution on the budget, allowances represent a special functional classification designed to include amounts to cover possible requirements, such as civilian pay raises and contingencies until they occur or become firm, at which point applicable amounts are distributed to the appropriate functional classification(s).

Allowances, Office of Management and Budget - The amounts that OMB communicates to the Department are the amounts the President will request the Congress to appropriate to the Department for the budget year.

Allowances, Secretary of Commerce - The amounts which the Secretary determines he or she will request for the budget from OMB.

Annualization of Program Changes - Full-year cost in 20BY of program changes requested/funded in 20CY. The difference between the amount funded in 20CY and the full-year cost is requested as an adjustment-to-base in 20BY. Traditionally, only 75% of the salaries for new employees are funded in 20BY based on an assumed lapse rate of 25% of bringing new employees on-board after the beginning of the fiscal year.

Amendment - A revision (either increase or decrease) to a budget submission that is requested while the original proposal is still under consideration by the appropriations committees of both Houses of Congress.

Antideficiency Act - Legislation enacted by the Congress to: (1) prevent the incurring of obligations in excess of amounts available in appropriations or funds; (2) fix responsibility within an agency for the creation of any obligations or the making of any expenditure in excess of an apportionment or reapportionment or in excess of other subdivisions established pursuant to 31 U.S.C. 1514; and (3) assist in bringing about the most effective and economical use of appropriations and funds. Federal employees who knowingly and willfully violate the Act are to be fined and/or imprisoned up to two years.

Appeal - A request to a decision-making official (the Secretary, the President, or the Congress) that reconsideration be given to the amount of proposed budget authority or ceiling allocation that should be approved for a given program. This is usually accompanied by a statement of the impact of the decision on the activity.

Apportionment (SF-132) - A distribution by the Office of Management and Budget of amounts available for obligation in appropriation or fund accounts of the executive branch. The distribution makes amounts available on the basis of time periods (usually quarterly), programs, activities, projects, objects, or combinations thereof. The apportionment system is intended to achieve an effective and orderly use of funds.

Deficiency Apportionment - A distribution by the Office of Management and Budget of available budgetary resources for the fiscal year that are needed for pay increases required by law, unanticipated expenditures required by new law, or an emergency involving the protection of human life or property. Such apportionments may only be made under certain specified conditions provided for by law (Antideficiency Act, 31 U.S.C.1515). In such instances, the need for additional budget authority is usually reflected by making the amount apportioned for the fourth quarter less than the amount that will actually be required. Approval of requests for deficiency apportionments does not authorize agencies to exceed available resources within an account. (See also Antideficiency Act; apportionment; deficiency appropriation and supplemental appropriation.)

Appropriation - An act of the Congress that allows Federal agencies to incur obligations and make payments from the Treasury for specified purposes. An appropriation is the most common means of providing budget authority and usually follows the passage of an authorization. (See budget authority.)

Appropriations do not represent cash actually set aside in the Treasury for purposes specified in the appropriations act; they represent limitations of amounts which agencies may obligate during the time period specified in the respective appropriations acts. There are several types of

appropriations that are not counted as budget authority, since they do not provide authority to incur additional obligation.

- A. Appropriation to liquidate contract authority. Congressional action to provide funds to pay obligations incurred against contract authority.
- B. Appropriation to reduce outstanding debt. Congressional action to provide funds for debt retirement.
- C. Appropriation for refund of receipts.

Appropriation (or Fund) Account - A summary account established in the Treasury for each appropriation and/or fund showing transactions to such accounts.

- A. A one-year account is available for incurring obligations only during a specified fiscal year.
- B. A multiple-year account is available for incurring obligations for a definite period in excess of one fiscal year.
- C. A no-year account is available for incurring obligations for an indefinite period, usually until the objectives have been accomplished.
- D. An unexpired account is one in which authority to incur obligations has not ceased to be available.
- E. An expired account is one in which authority to incur obligations has ceased to be available but from which outlays may be made to pay obligations previously incurred as well as valid adjustments thereto.

Appropriations Act - Statute under the jurisdiction of the House and Senate committees on appropriations which provides authorization for Federal agencies to incur obligations and to make payments out of the Treasury for specified purposes. From time to time, The Congress may also enact supplemental appropriations acts.

Appropriation Limitation - A statutory restriction in an appropriations act, which establishes the maximum or minimum amount which may be obligated and expended for specified purposes.

Audit - A review of (1) the operating, administrative, and financial activities of an agency for conformance with all legal and administrative requirements and conformance with the principles of economy, efficiency and effectiveness, or (2) selected claims, cost proposals, grants, loans or similar agreements entered into by an agency for conformance with the principles of economy, efficiency and effectiveness.

Authority to Spend Debt Receipts - Statutory authority for an agency to incur obligations and make payments for specified purposes out of borrowed moneys, composed of public debt authority or agency debt authority.

Authorization Act (Authorizing Legislation) - Legislation under the jurisdiction of a committee other than the House and Senate Committees on Appropriations that establishes or continues the operation of a Federal program or agency, either indefinitely or for a specified period of time. An authorization act may suggest a level of budget authority needed to fund the program or agency, which is then provided in a future appropriations act. However, for some programs, the authorization itself may provide the budget authority.

Authorizing Committee - A standing committee of the House or Senate with legislative jurisdiction over the subject matter of those laws that establish or continue the operation of Federal programs or agencies. The authorizing committee also has spending responsibility in those instances where the budget authority ("backdoor authority") is also provided in the basic substantive legislation.

Balanced Budget - A budget in which annual revenues equal annual outlays, measured by fiscal years. (See budget deficit and budget surplus.)

Balances of Budget Authority - Balances may be classified as:

- A. Unexpended balances. The amount of budget authority unspent and still available for outlay in the future; the sum of the obligated and unobligated balances.
- B. Obligated balances. The amount of obligations already incurred for which payment has not yet been made. This balance can be carried forward indefinitely until the obligations are paid.
- C. Unobligated balances. The portion of budget authority that has not yet been obligated. In one-year accounts, the unobligated balance expires (ceases to be available for obligation) at the end of the fiscal year. In multiple-year accounts, the unobligated balance may be carried forward and remain available for obligation for the period specified. In no-year accounts, the unobligated balance is carried forward indefinitely until specifically rescinded by law or until the purposes for which it was provided have been accomplished.

Base Budget - The cost of performing the same services or conducting the same program in the budget year as is planned for the current year. Normally, the only differences between the base budget and the current year budget are costs which are uncontrollable or non-recurring.

Baseline - In general, a baseline is a projection of the Federal revenues and spending that will occur under certain specified assumptions. This is not a forecast of a future budget, only a benchmark against which proposed changes in taxes or spending can be measured. The Budget Enforcement Act of 1990 defined its baseline as the projection of current-year levels of new budget authority, outlays, receipts and the surplus or deficit into the budget year and the outyears.

Borrowing Authority - A form of budget authority that permits a Federal agency (other than the Treasury and Federal Financing Bank) to borrow funds from the public or another Federal fund or account and to incur obligations and make payments for specified purposes out of that borrowed money. Borrowing authority differs from an appropriation, which permits a Federal agency to incur obligations and make payments directly from the Treasury.

Budget Activities - Categories included in the Program and Financing Schedule of the Budget Appendix for each appropriation and fund account which identify the services to be performed under the appropriation or fund for which the budget estimate (or request) is being made.

Budget Authority - The authority granted to a Federal agency by law to enter into financial obligations that result in immediate or future spending. Budget authority is not necessarily the amount of money an agency or department will actually spend during a fiscal year but merely the upper limit on the amount of new spending. The three basic types of budget authority are appropriations, borrowing authority, and contract authority.

Budget authority may be classified by the period of availability (one-year, multiple-year, no-year), by the timing of congressional action (current or permanent), or by the manner of determining the amount available (definite or indefinite).

A. Period of Availability.

- 1) One-year (annual authority). Budget authority that is available for obligation only during a specified fiscal year and expires at the end of that time.
- 2) Multiple-year authority. Budget authority that is available for a specified period of time in excess of one fiscal year.
- 3) No-year authority. Budget authority that remains available for obligation for an indefinite period of time, usually until the objectives for which the authority was made available are attained.

B. Timing of Congressional Action.

- 1) Current authority. Budget authority made available by the Congress for the fiscal year(s) during which the funds are available for obligation.
- 2) Permanent authority. Budget authority that becomes available as the result of previously enacted legislation (substantive legislation or prior appropriations act) and does not require further action by The Congress. Authority created by such legislation is considered to be "current" in the first year in which it is provided and "permanent" in succeeding years. It is possible to distinguish between "fully permanent" authority (such as interest on the public debt), where no subsequent action is required, and "conditionally permanent" authority (such as general revenue sharing), where authority expires after a set period of time unless it is reenacted.

C. Determination of amount.

- 1) Definite authority. Budget authority which is stated as a specific sum at the time the authority is enacted. This includes authority stated as "not to exceed" a specified amount.
- 2) Indefinite authority. Budget authority for which a specific sum is not stated but is determined by other factors, such as the receipts from a certain source or obligations incurred. (Authority to borrow that is limited to a specified amount that may be outstanding at any time, i.e., revolving debt authority, is considered to be indefinite budget authority.)

Budget Deficit - The amount by which the Government's budget outlays exceed its budget receipts for any given period. Deficits are financed primarily by Treasury borrowing from the public. (See budget surplus.)

Budget Estimates - Estimates of budget authority, outlays, receipts, or other budget measures that cover the current and budget years, as reflected in the President's Budget and budget updates.

Budget Execution - The process by which the financial resources made available to an agency are directed and controlled toward achieving the purposes and objectives for which budgets were approved.

Budget Formulation - The process by which the resources necessary to accomplish goals and objectives are determined and justified to decision makers (the Secretary, the President and the Congress). As the amount of available resources is determined, goals and objectives may have to be revised.

Budget Justification - A narrative and tabular description of goals and objectives and the costs of achieving them which is submitted to decision makers and their staffs.

Budget Receipts - Amounts received by the Federal Government from the public that arise from:

- A. The exercise of governmental or sovereign power (consisting primarily of tax revenues, but also including receipts from premiums of compulsory social insurance programs, court fines, certain license fees, and the like);
- B. Premiums from voluntary participants in Federal social insurance programs (such as deposits by states for unemployment insurance and for social security for their employees) that are closely related to compulsory social insurance programs; and
- C. Gifts and contributions.

Excluded from budget receipts are Offsetting Receipts, which are counted as deductions for budget authority and outlays rather than as budget receipts.

Budget Supplemental - An additional amount requested for appropriation for the current year after enactment of the regular appropriation. Supplementals are submitted for pay raise costs and unforeseen needs of an urgent nature.

Budget Surplus - The amount by which the Government's budget receipts exceed its budget outlays for any given period.

Budget Year (BY) - The fiscal year that starts on October 1 of the calendar year in which the current session of the Congress begins. In effect, the budget year is the budget that the Congress is currently working on. (See past year, current year and outyear.)

Bulletin - A memorandum from OMB establishing a temporary or one-time requirement.

Cancellation - A proposal by the President to reduce budgetary resources (new budget authority or unobligated balances of budget authority) that is not subject to the requirements of Title X of the Congressional Budget and Impoundment Control Act of 1974. Resources that are proposed by the President for cancellation cannot be withheld from obligation pending congressional action on the proposal.

Carryover - The unobligated amounts at the end of a fiscal year for unexpired accounts.

Cash Basis of Accounting - A system of accounting in which revenue is recorded at the time the payment is received and costs are recorded at the time the payment is made. (See also accrual basis of accounting.)

Ceilings - The maximum limit of an item as determined by OMB or the Congress. Ceilings are often established each year for employment and are sometimes implemented for travel, consulting services and the like.

Circulars - Permanent OMB instructions and requirements. These are designated by "A" and a number, such as A-11, A-76, etc., and may be found online at <http://www.whitehouse.gov/omb/circulars/index.html>

Circular A-11 - The basic OMB instructions on the preparation, submission and execution of the budget. The Circular may be found online at http://www.whitehouse.gov/omb/circulars/a11/current_year/a11_toc.html.

Civil Service Retirement System - See CSRS.

COLA (Cost of Living Adjustment) - The annual increase in Federal Government pay scales tied to the employment cost index (ECI); also described as a "general pay raise."

Collections - Any moneys received by the Government. Depending upon the nature of the transaction, collections may be treated as budget receipts, offsetting receipts refunds, or credits to a deposit fund. (See budget receipts, offsetting collections, refunds and deposit funds.)

Commitment - A preliminary action which will ultimately result in an obligation to the government if carried through, such as purchase orders, estimated travel orders, or unsigned contracts/grants.

Concurrent Resolution on the Budget - Legislation passed by the Congress setting forth an overall plan for the congressional budget for a fiscal year. The congressional budget resolution is expected to pass by April 15. This resolution establishes binding figures for the aggregate levels of budget authority, outlays, revenues and deficit or surplus, the appropriate level of the public debt and an estimate of the budget authority and outlays for each of the budget functions. If needed, subsequent budget resolutions for a fiscal year may be adopted at any time after the passage of the April 15 resolution. A budget resolution does not require the President's signature and does not have the force of law.

Conference Committee - A committee composed of members of the Senate and House of Representatives that reconciles differences between similar bills previously passed by the two houses.

Conference Report - The recommendation of the conference committee to the House and Senate for a bill reconciling the differences between similar bills previously passed by the two houses.

Constant Dollars - The dollar value of goods and services adjusted for inflation. Constant dollars are determined by dividing current dollars by an appropriate price index, a process generally known as "deflating." Constant dollars are used to discount increases or decreases in prices when comparing transactions over a period of time.

Congressional Budget - The budget established by the Congress in the concurrent resolution on the budget. The resolution shall include:

- A. The appropriate level of total budget outlays and of total new budget authority;
- B. An estimate of budget outlays and new budget authority for each major functional category, for contingencies, and for undistributed offsetting receipts based on allocations of the appropriate level of total budget outlays and of total new budget authority;
- C. The amount, if any, of the surplus or deficit in the budget;
- D. The recommended level of the Federal revenues; and
- E. The appropriate level of the public debt.

Contingent Liability - A conditional commitment which may become an actual liability because of a future event beyond the control of the Government. Contingent liabilities include such items as guaranteed loans and insured bank deposits.

Continuing resolution (CR) - Legislation enacted by the Congress and signed into law by the President, to provide budget authority for specific ongoing activities in cases where the regular fiscal year appropriation for such activities has not been enacted by the beginning of the fiscal year. The continuing resolution usually specifies a maximum rate at which the agency may incur obligations, based on the rate of the prior year, the President's Budget request, or an appropriations bill passed by either or both Houses of the Congress.

Contract Authority - A type of budget authority that permits a Federal agency to incur obligations before appropriations have been passed or in excess of the amount of money in a revolving fund. Contract authority must be funded subsequently by an appropriation so that the commitments entered into can be paid.

Statutory authority that permits obligations to be incurred in advance of appropriations or in anticipation of receipts to be credited to a revolving fund or other account. (By definition, contract authority is unfunded and must subsequently be funded by an appropriation to liquidate obligations incurred under the contract authority or by the collection and use of receipts.)

Cost-Based Budgeting - Budgeting in terms of costs to be incurred, i.e., the resources to be consumed in carrying out a program regardless of when the funds to acquire the resources were obligated or paid. Cost-based budgeting, in addition to reflecting the obligational requirements for the program, presents the cost of what is planned to be accomplished. (Obligation-based budgeting is expressed in terms of obligations to be incurred, regardless of when the resources acquired are to be consumed.)

Credit Program Account - The budget account into which an appropriation to cover the cost of a direct loan or loan guarantee program is made and from which such cost is paid to the financing account.

Credit Reform - A system of budgeting for Federal credit activities that focuses on the cost of subsidies conveyed in Federal credit assistance. The system was established by the Federal Credit Reform Act of 1990.

Credit Subsidy - The estimated long-term cost to the Federal Government of a direct loan or loan guarantee. That cost is calculated on the basis of net present value, excluding Federal administrative costs and any incidental effects on revenues or outlays. For direct loans, the subsidy cost is the net present value of loan disbursements minus repayments of interest and principal, adjusted for estimated defaults, prepayments, fees, penalties, and other recoveries. For loan guarantees, the subsidy cost is the net present value of estimated payments by the government to cover defaults and delinquencies, interest subsidies, or other payments, offset by any payments to the government, including origination and other fees, penalties, and recoveries.

CSRS - Prior to January 1, 1984, most employees were covered by the Civil Service Retirement System. Since that date, new employees of the Federal government are enrolled under the Federal Employees Retirement System (FERS).

Crosswalk - A procedure for translating budget information from one form to another - for example, from a budget resolution to an authorization or appropriations bill.

Current Dollars - The dollar value of a good or service in terms of the prices prevailing at the time the good was sold or service rendered.

Current Policy Budget - Projection of the estimated budget authority and outlays for the upcoming fiscal year to operate Federal programs at the level implied by enacted appropriations and authorizations for the current fiscal year without policy changes, but adjusted for inflation, changes in the numbers and kinds of beneficiaries, and in some instances to reflect the continuation of certain programs scheduled to terminate.

Current Services Estimate - Estimated budget authority and outlays for the upcoming fiscal year based on continuation of existing levels or service, i.e., assuming that all programs and activities will be carried on at the same level as in the fiscal year in progress and without policy changes in such programs and activities. These estimates of budget authority and outlays, accompanied by the underlying economic and programmatic assumptions upon which they are based (such as the rate of inflation, and the rate of real economic growth, the unemployment rate, program caseloads, and pay increases), are required to be transmitted by the President to the Congress by November 10 of each year.

Current year (CY) - The fiscal year in progress. Technically, current year refers to the fiscal year that immediately precedes the budget year. (See past year, budget year and outyear.)

Debt Held by the Public - See Federal Debt.

Debt Subject to Statutory Limitation - See Federal Debt.

Deferral of Budget Authority - Any action or inaction by any officer or employee of the United States that temporarily withholds, delays, or effectively precludes the obligation or expenditure of budget authority, including the establishment of reserves under the Antideficiency Act as amended by the Impoundment Control Act. Section 1013 of the Impoundment Control Act of 1974 requires a special message from the President to the Congress reporting a proposed deferral of budget authority. Deferrals may not extend beyond the end of the fiscal year in which the message reporting the deferral is transmitted and may be overturned by the passage of an impoundment resolution by either House of Congress. Deferrals are permissible only for contingencies, savings resulting from changed requirements or greater efficiency and if specifically provided by law.

Deficiency Appropriation - An appropriation made to an expired account to cover obligations incurred in excess of the available budget authority.

Deficit - The amount by which outlays exceed revenues in a given fiscal year.

Deficit Financing - A situation in which the Federal Government's excess of outlays over receipts for a given period is financed primarily by borrowing from the public.

Definite Authority - See Budget Authority.

Deobligation - A downward adjustment of previously incurred obligations. This may be attributed to a cancellation of a project or contract, price revision, or corrections of amounts previously recorded as obligations.

Department Orders/Primary Directives - The primary directive system sets forth the basic management structure, organizational arrangement, and administrative instructions of the Department. The system also ensures effectiveness and compliance with applicable laws, regulations, and delegations of authority. Procedures for initiating, preparing, distributing, and maintaining the individual directive series are contained in DAOs 200-1, 200-3, and 200-7. The system can be found on line at: <http://www.osec.doc.gov/omo/DMPHome.htm> and consists of the following series:

- A. Department Organizational Orders (DOOs). DOOs prescribe the basic management structure and organizational arrangements for the Department of Commerce and are issued for each Secretarial officer, Departmental office and operating unit of the Department. DOOs may be found online at: <http://dms.osec.doc.gov/cgi-bin/doiit.cgi?218:112:1:1>.
- B. Department administrative orders (DAOs). DAOs document and mandate continuing policies, standard requirements and procedures prescribed by the Office of the Secretary for Department-wide application or two or more major program areas. DAOs may be found online at: <http://dms.osec.doc.gov/cgi-bin/doiit.cgi?218:112:1:2>.

Deposit Funds - Accounts established to record amounts that are either (a) held in suspense temporarily and later refunded or paid into some other fund of the Government upon administrative or legal determination as to the proper disposition thereof or (b) held by the Government as banker or agent for others and paid out at the discretion of the depositor. These accounts are not included in the budget totals and they are not available for expenses of the Government, although they do provide a means of financing the budget.

Disbursements - In budgetary usage, gross disbursements represent the amount of checks issued, cash or other payments made, less refunds received. Net disbursements represent gross disbursements less income collected and credited to the appropriation or fund account, such as amounts received for goods and services provided. (See expenditures and outlays.)

Discretionary Spending - Budgetary resources provided in appropriations acts, except those provided to fund direct-spending programs.

Discretionary Spending Limits - Limits or "caps" placed on certain categories of discretionary spending. Separate caps exist for both budget authority and outlays. These limits were first established in the Budget Enforcement Act of 1990 and enforced through sequestration. On September 30, 2002, all discretionary spending limits, and the sequestration process to enforce them, expired. The Congress sets limits in concurrent budget resolutions.

Economic Assumptions - Estimates of how the national economy will behave. The four main economic assumptions that affect the budget are unemployment, inflation, growth in the gross national product (GNP) and interest rates.

Emergency Appropriations - Discretionary appropriations that the President and the Congress designate as "emergency requirements". Any spending designated as an emergency is not subject to discretionary limits or PAYGO rules.

Employer's Contributions - The Federal Government's cost of making its share of contributions for employee benefits, i.e., FEGLI (life insurance), health plans, and retirement (CSRS, FERS, Thrift Savings Plan and Social Security).

Entitlements - Legislation that requires the payment of benefits to all who meet the eligibility requirements established in the law. Examples of entitlement programs are Social Security, Medicare and unemployment insurance.

Evaluation - An assessment of the effectiveness of a program in achieving its goals and objectives in the most efficient way.

Executive Session - A meeting of a congressional committee which is not open to the public.

Expended Appropriation - The amount of expenditures (outlays) during the current fiscal year net of refunds to the appropriation made from general funds, special funds, and trust funds.

Expenditure Transactions - For accounting and reporting purposes, transactions between appropriation and fund accounts which represent payments, repayments, or receipts for goods or services furnished or to be furnished. Where the transaction benefits the transferring account, expenditure transactions are recorded as obligations/outlays of the transferring accounts and as offsetting collections of the receiving accounts. (See non-expenditure transfer and transfer appropriation account.)

Expenditures - Actual spending, generally interchangeable with outlays. (See outlays.)

Expired Appropriation - An appropriation that is no longer available for obligation but is still available for payment of existing obligations.

Federal Debt - The total value of outstanding securities issued by the Federal Government and consists of debt held by the public and debt held by Government accounts.

- A. Debt held by the public. Federal debt held by nonfederal investors, including the Federal Reserve System.
- B. Debt held by Government accounts. Federal debt held by Federal Government trust funds, deposit insurance funds, and other Federal accounts.

- C. Debt subject to statutory limit. Federal debt that is subject to a statutory limit on its issuance. The current limit applies to almost all gross debt, except a small portion of the debt issued by the Department of the Treasury and the small amount of debt issued by other Federal agencies.

Federal Employee Retirement System - See FERS.

Federal Fund Accounts - Accounts other than trust funds, in which the Government credits receipts which it collects, owns, and uses solely for its purposes. They are composed of two classes of receipt accounts: 1) general fund receipt accounts and 2) special fund receipt accounts; and four classes of appropriation (expenditure) or fund accounts: 1) general fund appropriations, 2) special fund appropriations, 3) public enterprise revolving funds, and 4) intragovernmental funds.

A. Receipt Accounts.

- 1) General fund receipt accounts. Accounts credited with all receipts that are not earmarked by law for a specific purpose.
- 2) Special fund receipt accounts. Accounts credited with receipts from specific sources that are earmarked by law for a specific purpose.

B. Fund Accounts.

- 1) General fund appropriation accounts. Accounts established to record amounts appropriated by the Congress to be expended for the general support of the Government.
- 2) Special fund appropriation accounts. Accounts established to record appropriated amounts of special fund receipts to be expended for special programs in accordance with specific provisions of law.
- 3) Public enterprise revolving fund accounts. Funds authorized by the Congress to be credited with receipts, primarily from the public, that are generated by and earmarked to finance, a continuing cycle of business-type operations.
- 4) Intragovernmental fund accounts. Accounts established to facilitate financing transactions within and between Federal agencies. These funds may be classified as intragovernmental revolving funds or management funds.

- i) **Intragovernmental revolving fund accounts.** Funds authorized by law to carry out a cycle of intragovernmental business-type operations. These funds are credited with offsetting collections from other agencies and accounts.
- ii) **Management fund accounts.** Funds authorized by law to credit collections from two or more appropriations in order to finance a common purpose or project not involving a continuing cycle of business-type operations.

Feeder Accounts - Certain appropriation and revolving fund accounts whose resources are available only for transfer to other specified appropriation or revolving fund accounts.

FERS - New Federal Government employees hired after December 31, 1983, are automatically covered by this retirement plan. The number of employees covered by FERS continues to rise as employees covered by CSRS leave.

FICA (Federal Insurance Contribution Act) - FICA includes Old-Age, Survivors and Disability Insurance (OASDI) and Medicare.

Financing Account - The non-budget account associated with each credit program account, which holds balances, receives the cost payment from the credit program account and also includes all other cash flows to and from the Federal Government resulting from direct loan obligations or loan guarantee commitments made on or after October 1, 1991.

Fiscal Policies - Federal policies on taxes, spending, and debt management, to promote the nation's economic goals, particularly with respect to employment, gross national product, inflation and balance of payments.

Fiscal Year (FY) - Any yearly accounting period. The fiscal year for the Federal Government begins on October 1 and ends on September 30. The Federal fiscal year is designated by the calendar year in which it ends; for example, Fiscal Year 2009 begins on October 1, 2008 and ends on September 30, 2009.

Foreign Currency Account - An account established in the Treasury for foreign currency that is acquired without payment of United States dollars, primarily in payment for commodities. These currencies may be expended without charge to dollar appropriations. They may be available for obligation without further congressional action, or the Congress may appropriate these foreign currencies. (See also Special Foreign Currency Program appropriation.)

Forward Funding - Budget authority provided in an appropriations act that allows funds to be obligated for a specific purpose in the last quarter of the fiscal year for programs that will be implemented the next fiscal year. Forward funding often is used for education programs so that

grants can be made by the Federal Government before the start of the school year and local schools officials can plan their budgets.

Full Employment Budget - The estimated receipts, outlays, and surplus or deficit that would occur if the economy were continually operating at a rate defined as being at full capacity (traditionally defined as a certain percentage unemployment rate for the civilian labor force.)

Full Funding - Providing the budget authority to cover the total cost of a program or project at the time it first is approved. This differs from partial, incremental or annual funding, where budget authority is provided only for those obligations of the program or project that are likely to be incurred in the coming fiscal year.

Full-time equivalents (FTEs) - Compensable work years for all Federal personnel, calculated by dividing the total number of hours worked (or to be worked) by the number of compensable hours applicable to each fiscal year.

Function or Functional Classification - The system of presenting budget authority, outlays, receipts and tax expenditures in terms of the principal purposes the programs are intended to serve. Each program is placed in the single functional category that best represents its major purpose, regardless of the department that administers it. Both the President's Budget and the congressional budget resolutions are presented primarily by function.

General Fund Accounts - See Federal Fund Accounts.

Government-Sponsored Enterprises - Enterprises with completely private ownership, such as Federal land banks and Federal home loan banks, established and chartered by the Federal Government to perform specialized functions. These enterprises are not included in the budget totals, but financial information on their operations is published in a separate part of the appendix to the President's Budget.

Grant - A cash award given by the Federal Government to a state or local government or other recipient. The two major forms of Federal grants are "block" and "categorical". Block grants are awarded primarily to general purpose governments, are distributed to them according to formulas established in the law and can be used by the recipient for any activities that fall within the purpose of the grant as stated in the law. Categorical grants can be used only for a specific purpose and usually are limited to narrowly defined activities.

Hearings - Meetings held in connection with budget requests to the Secretary, OMB or the Congress at which witnesses clarify and justify to the satisfaction of the secretarial staff, OMB, or the appropriations subcommittees, items contained in the budget submissions.

House Action - A vote by the House of Representatives on a bill or a portion thereof.

Identification Code - An 11-digit number assigned to each appropriation or fund account included in the budget. The identification code identifies the agency, the appropriation or fund account symbol, the timing of the transmittal (regular, supplemental), the type of fund (general, special), and the functional classification of each account. (See [OMB Circular A-11](#).)

Impoundment - Any action or inaction by an officer or employee of the Federal Government that prevents the obligation or expenditure of budget authority. (See deferral of budget authority and rescission.)

Impoundment Resolution - A resolution of the House of Representatives and the Senate disapproving a deferral of budget authority set forth in a special message ordinarily transmitted by the President under section 1013 of the Impoundment Control Act of 1974. Passage of an impoundment resolution by either House of Congress has the effect of overturning the deferral and requires that such budget authority be made available for obligation.

Incremental Funding - The provision (or recording) of budgetary resources for a program or project based on obligations estimated to be incurred within a fiscal year when such budgetary resources will cover only a portion of the obligations to be incurred in completing the program or project as programmed. This differs from full funding, where budgetary resources are provided or recorded for the total estimated obligations for a program or project in the initial year of funding. (For distinction, see Full Funding.)

Joint Resolution - A joint resolution requires the approval of both Houses of Congress and the signature of the President, just as a bill does, and has the force of law if approved. There is no real difference between a bill and a joint resolution. The latter is generally used in dealing with limited matters, such as a single appropriation for a specific purpose.

Joint resolutions are also used to propose amendments to the U.S. Constitution. These do not require presidential signature, but become a part of the Constitution when three-fourths of the States have ratified them.

Liability - Amounts owed for items received, services rendered, expenses incurred, assets acquired, construction performed, and amounts received but not as yet earned.

Current liabilities include all amounts owed on the basis of invoices or other evidence of receipt of goods and services, other amounts owed for the purchase of goods and services even if not "due and payable," and deferred income (received but not earned).

Long-term and unfunded liabilities include bonded debt and notes payable of the funds authorized to borrow in the market, and liabilities for which it is a Government-wide practice to

obtain appropriations and recognize the obligations at a later time (e.g., accrued annual leave in the case of appropriation accounts).

Line Item - The lowest level of data required to be presented in formal budget documents. It is the level below the subactivity level.

Line Item Veto - The veto of a specific item in a bill enacted by the Congress without vetoing the entire bill. This is not permitted for the Federal Government under present law.

Liquidating Account - The budget account that includes all cash flows to and from the Federal Government resulting from direct loan obligations or loan guarantee commitments made prior to October 1, 1991.

Loan Guarantee - An agreement by which the Government pledges to pay part or all of the loan principal and interest to a lender or holder of a security, in the event of default by a third party borrower. If it becomes necessary for the Government to pay part or all of the loan principal or interest, the payment is a direct outlay. Otherwise, the guarantee does not directly affect Federal budget outlays. (See also, Direct Loans.)

Mandatory Spending (Direct Spending) - Budgetary resources provided in laws other than appropriations acts.

Markup - The process by which congressional committees and subcommittees debate, amend, and rewrite proposed legislation.

National Needs - Those Federal functions which describe the end purposes being served by budget authority, outlays, and tax expenditures, without regard to the means that may be chosen to meet those purposes. National needs, in current budgetary usage, may be assumed to be synonymous with "function".

Net Lending - The amount of disbursements for loans less the amount of loan repayments on sums previously disbursed.

Non-Deductible Receipts - Receipts deposited in Treasury accounts which are not credited against gross agency outlays.

Non-Expenditure Transfer - The transfer of a portion of the budget authority of one agency to another agency for obligation and disbursement. This transfer does not represent goods and services received, but only adjusts the amounts available to both accounts.

OASDI (Old-Age, Survivors and Disability Insurance) - Colloquially known as social security. As the percentage of payroll covered by FERS rises, the cost of OASDI contributions is also expected to increase.

Object Classification - A uniform classification identifying the transactions of the Federal Government by the nature of the goods or services purchased (such as personnel compensation, supplies, and materials, or equipment) without regard to the agency involved or the purpose of the programs for which they are used. (General instructions are provided in [OMB Circular A-11.](#))

Obligated Balance - The amount of budget authority obligated but not outlayed.

Obligational Authority - The total available to an agency in a given fiscal year. Obligational authority is the sum of the budget authority newly provided in a fiscal year, the balance of budget authority from previous years that has not yet been obligated and amounts authorized to be credited to a specific fund or account during that year, including transfers between accounts.

Obligations - Binding agreements by the Federal Government that will require outlays either immediately or in the future. For example, amounts of orders placed, contracts awarded, services rendered, or other commitments made by Federal agencies during a given period, which will require outlays during the same or some future period. (See 31 U.S.C. 1501)

Off-Budget - Budget totals excluded by law from the totals for budget authority, outlays, receipts, and the surplus or deficit.

Off-Budget Federal Entities - Entities, Federally-owned or –controlled, whose transactions have been excluded from the budget totals under provisions of law, (e.g., the Federal Financing Bank). The fiscal activities of these entities are not included in either budget authority or outlay totals, but are presented in a separate part of the budget appendix and as memorandum items in various tables in the budget.

Offsetting Collections - Payments to the Government as a result of business-type transactions with the public (sale of goods and services) or as a result of a payment from one Government account to another. Such collections are deducted from gross budget authority and outlays. Offsetting collections are credited directly to expenditure accounts. (See offsetting receipts and reimbursements.)

Offsetting Receipts - Payments to the Federal Government that are deducted from gross budget authority and outlays and that come from market-oriented Government activities or intragovernmental transactions. Offsetting receipts usually are displayed in the function in which they occur and are deducted from the functional or agency budget authority and outlays or

at the level of the Government as a whole. Offsetting receipts are not authorized to be credited to expenditure accounts.

Offsetting receipts are subdivided into two major categories:

- A. Proprietary receipts from the public. Those collections from outside the Government deposited in receipt accounts which arise from the conduct of business-type activities.
- B. Intragovernmental transactions. All collections or deposits into receipt accounts in which the payment is made by a Federal agency. Intragovernmental transactions may represent either receipts from off-budget Federal entities, where a payment comes from a Federal entity whose funds are excluded from the budget totals, or intrabudgetary transactions, where both the paying and the receiving accounts are within the budget. Intrabudgetary transactions in turn are further subdivided into three groups:
 - 1) Interfund transactions, where the payment is from a Federal to a trust fund or vice versa.
 - 2) Federal intrafund transactions, where both the paying and receiving accounts are Federal funds.
 - 3) Trust intrafund transactions, where both the paying and receiving accounts are trust funds.

On-Budget - Budget totals (budget authority, outlays, receipts and the surplus or deficit) reflecting the transactions of all Federal Government entities, except as excluded by law.

Open-Ended Programs - Entitlement programs under which actual obligations and resultant outlays are limited only by the number of eligible persons meeting eligibility requirements fixed by law who apply for benefits and the actual benefits received, e.g., Medicaid.

Open Session - A meeting of a congressional committee which is open to the public.

Outlays - The issuance of checks, disbursement of cash, or electronic transfer of funds to liquidate a Federal obligation. Total outlays in any year result from both new budgetary resources provided in the year spent and from unexpended balances of budgetary resources provided in previous years.

Outyear - Any of the fiscal years that follow the budget year.

Oversight Committee - The congressional committee charged with general oversight of the operation of any agency or program. In some, but not all, cases the oversight committee for an agency also is the authorizing committee for that agency's programs. (See Authorizing Committee.)

Past Year (PY) - The last completed fiscal year.

Pay-As-You-Go (PAYGO) - Enforcement mechanism created by the Budget Enforcement Act of 1990 to ensure that all legislation affecting direct spending or revenues was budget neutral in each fiscal year. Under the procedure, OMB and CBO estimated the five-year budgetary impact of all such legislation enacted into law. If the total of those estimates in the budget year increased the deficit or reduced the surplus for that year, a PAYGO sequestration would be triggered. Since September 30, 2002, OMB and CBO are no longer required to provide five-year estimates of laws affecting direct spending and revenues.

Permanent Authority - Budget authority made available each year by virtue of one time or standing legislation, which does not require subsequent action by the Congress. (See budget authority.)

The periods of availability are:

- A. One-year (annual authority). Budget authority that is available for obligation only during a specified fiscal year and expired at the end of that time.
- B. Multiple-year authority. Budget authority that is available for a specified period of time in excess of one year.
- C. No-Year Authority. Budget authority that remains available for obligation for an indefinite period of time, usually until the objectives for which the authority was made available are attained.

Personnel Benefits - Amounts associated with cash benefits for employees other than Personnel Services. Some examples are employer's contribution to retirement plans and cost-of-living allowance. (See employer's contributions.)

Personnel Services - Amounts associated with regular pay for permanent employees, regular pay for other than permanent employees, other personnel compensation (i.e., overtime, night work differential), leave surcharge, and special personnel services payments (i.e., shore leave earned, compensatory leave earned).

President's Budget - The proposal sent by the President to the Congress each year as required by the Budget and Accounting Act of 1921, as amended. Some elements of the budget, such as the estimates for the legislative branch and the judiciary, are required to be included without review by the Office of Management and Budget or approval by the President.

Program - An organized set of activities directed toward a common purpose or goal, undertaken by a Federal agency to carry out its responsibilities.

Program Evaluation - In general, the process of assessing program alternatives, including research and results, and the options for meeting program objectives and future expectations. Specifically, program evaluation is the process of appraising the manner and extent to which programs: (1) achieve their stated objectives, (2) meet the performance perceptions and expectations of responsible Federal officials and other interested groups, and (3) produce other significant effects of either a desirable or undesirable character.

Projections - Estimates of budget authority, outlays, receipts, or other budget amounts that extend several years into the future. Projections generally are intended to indicate the budgetary implications of continuing current or currently proposed programs and legislation for an indefinite period of time. These include alternative program and policy strategies and ranges of possible budget amounts. They generally should not be regarded as firm estimates of what actually will occur in future years nor as recommendations regarding future budget decisions.

Real Economic Growth - Growth in the gross national product (GNP), adjusted for inflation, consistent with the Department of Commerce definitions.

Reapportionment - A revision by the Office of Management and Budget of a previous apportionment of budgetary resources for an appropriation or fund account. A revision would ordinarily cover the same period, project, or activity covered in the original apportionment. Reapportionments are sent by the operating unit budget officer to the Office of Budget. After Office of Budget review and approval, reapportionments are sent to OMB for final approval.

Reappropriation - Congressional action to restore the obligational availability, whether for the same or different purposes, of all or part of the unobligated portion of budget authority in an expired account. Obligational availability in a current account may also be extended by a subsequent appropriations act.

Receipt Accounts - Accounts established for recording collections deposited into the Treasury for appropriation by the Congress. These accounts may be classified as general, special, or trust fund receipt accounts. (See Federal fund accounts and trust funds.)

Reconciliation - The process used by the Congress to enforce committee compliance with the fiscal policy established in the budget resolution.

Reconciliation Process - A process used by the Congress to reconcile amounts determined by tax, spending, and debt legislation for a given fiscal year with the ceilings enacted in the concurrent resolution on the budget for that year. Section 310 of the Congressional Budget and Impoundment Control Act of 1974 provides that the concurrent resolution on the budget, which sets binding totals for the budget, may direct committees to determine and recommend changes to laws, bills, and resolutions, as required to conform with the binding totals for budget authority,

revenues, and the public debt. Such changes are incorporated into either a reconciliation resolution or a reconciliation bill. (See also concurrent resolution on the budget.)

Recoveries of Prior-Year Obligations - Amounts made available in no-year and unexpired multi-year accounts through deobligation or downward adjustments of prior year obligations.

Refund - The return of an advance or the recovery of an erroneous disbursement from an appropriation or fund account that is directly related to, and a reduction of, previously recorded outlays from the account. It is also the return of excess collections deposited in receipt accounts that are treated as a reduction of receipts.

Reimbursable Agreement - A formal agreement or contract by which an agency will perform a service because of its unique expertise and be paid for all costs by another Federal, state or private organization. Reimbursable work should be accepted only if it can be accomplished without adversely affecting regular programs and if the task cannot be performed as economically by the party or by other agencies.

Reimbursable Earnings - Additional obligational authority accruing to an agency from the billing of all direct and distributed costs to reimbursable sponsors. Such additional funding may be used to support distributable elements. In addition, charges for depreciation against reimbursable tasks result in additional "earnings" which may be allowed to the line/staff offices.

Reimbursable Task - A service performed or product provided to another Federal agency, state, or local government, foreign government, international organization, or non-Federal interest.

Reimbursements - Sums received by the Government as payment for commodities sold or services furnished either to the public or to another Government account that are authorized by law to be credited directly to specific appropriation and fund accounts. These amounts are deducted from the total obligations incurred (and outlays) in determining net obligations (and outlays) for such accounts.

Rental payment to the General Services Administration (GSA) - Cost payable to GSA for space based on the actual square footage of space utilized. Surcharge which is applied to the total direct labor or reimbursable tasks so that sponsors are charged for the cost of space used. (Formerly referred to as SLUC.)

Reprogramming - Utilization of funds in an appropriation account for purposes other than those contemplated at the time of appropriation. Reprogramming is generally accomplished pursuant to consultation between the Federal agencies and the appropriate congressional committees.

Rescission - An action of the president that cancels previously appropriated budget authority. A proposed rescission must be reported to the Congress and the comptroller general by the

president in a rescission message. If both Houses do not approve of the proposed rescission within forty-five days, the president must obligate the budget authority as it was intended by the Congress.

Rescission Bill - A bill or joint resolution that provides for cancellation, in whole or in part, of budget authority previously granted by the Congress. Under Section 1012 of the Impoundment Control Act of 1974, unless the Congress approves a rescission bill within 45 days of continuous session after receipt of the proposal, the budget authority must be made available for obligation. (See rescission.)

Research & Development - Research is systematic, intensive study directed toward fuller scientific knowledge or understanding of the subject studied. Development is the systematic use of knowledge and understanding gained from research, directed toward the production of useful materials, devices, systems or methods, including the design and development of prototypes and processes.

Research and development is a broad term that embraces the work performed by Federal Government agencies and private individuals or organizations under contractual or grant arrangements with the Government. It includes all fields—education, the social sciences, the physical sciences, the life sciences, computer science, mathematics and engineering.

Research and development excludes routine product testing, quality control, mapping, collection of general purpose statistics, experimental production, routine evaluation of an operations program, and the training of scientific and technical personnel.

Restoration of Funds - Requests in the budget year for programs that were proposed for reduction in the current year to maintain the same program level of effort.

Revenues - Money collected by the Federal Government from duties, taxes, user fees or premiums from social insurance programs. A term commonly used interchangeable with budget receipts. (See budget receipts.)

Revolving Fund - A fund established to finance a cycle of operations through amounts received by the fund. There are three types of revolving funds: public enterprise, intragovernmental revolving, and trust revolving funds. (See also Federal Fund Accounts and Trust Funds.)

Scorekeeping - A procedure used by the Congressional Budget Office for up-to-date tabulations and reports of congressional budget actions on bills and resolutions providing new budget authority and outlays and changing revenues and the public debt limit for a fiscal year. Such reports shall include, but not be limited to, status reports on the effects of these congressional actions to date and of potential congressional actions, and comparisons of these actions to targets

and ceilings set by the Congress in the budget resolutions. Periodic scorekeeping reports are required by sections 308(b) of the Congressional Budget Act of 1974.

Senate Appeal - A request to the Senate for the restoration of cuts or reductions to increases to the President's request granted by the House of Representatives in an appropriations bill.

Sequestration - The terms "sequester" and "sequestration" refer to the cancellation of budgetary resources provided by discretionary appropriations or a direct spending law. The sequestration process was originally created by the Balanced Budget and Emergency Deficit Control Act of 1985 to cut spending if the Congress and the president did not enact laws to reduce the projected deficit to the maximum deficit amount set for that year.

Under the procedures established by the Budget Enforcement Act of 1990, a sequester will occur if a discretionary spending limit is breached, if revenues are cut below or mandatory spending is increased above the baseline without offsetting changes that will eliminate any impact on the deficit or if the deficit maximum set for the year is exceeded. Defined in Section 401 (c) (2) of the Congressional Budget Act of 1974.

Sequestrable Resource - The term "sequestrable resource" means new budget authority; unobligated balances; new direct loan obligations, commitments or limitations; new loan guarantee commitments or limitations, spending authority as defined in Section 401 (c) (2) of the Congressional Budget Act of 1974; and obligation limitations for budget accounts, programs, projects and activities that are not exempt from reduction or sequestration.

Special Foreign Currency Program Appropriation - An appropriation made available to incur obligations for which payments must be made only in U.S.-owned foreign currencies that are declared in excess of the normal requirements of the United States by the Secretary of Treasury. The appropriation is made in general fund dollar amounts which are credited to the account or fund generating the currency, or to miscellaneous receipts of the Treasury, as appropriate. The appropriated dollars are thereby exchanged for excess foreign currency (held in Treasury foreign currency fund accounts) that is used to make the necessary payments. (See also Foreign Currency Account.)

Special Fund Accounts - See Federal Fund Accounts.

Spending Authority - As defined by the Congressional Budget Act of 1974, a collective designation for borrowing authority, contract authority, and entitlement authority, for which the budget authority is not provided in advance by appropriations acts. These are also commonly referred to as backdoor authority.

Spending committees (Spending Responsibility) - The standing committees of the House and Senate with jurisdiction over legislation that permits the obligation of funds. For most programs,

the House and Senate Appropriations Committees are the spending committees. For other programs, the authorization legislation permits the obligation of funds (backdoor authority) without an appropriation and so the authorization committees have the spending power. The revenue-raising committees (House Ways and Means and Senate Finance) are also spending committees when they deal with spending programs within their jurisdiction.

Spending Legislation (Spending Bill) - A term used in budget scorekeeping to indicate legislation that directly provides budget authority or outlays. The term includes (1) appropriations legislation, (2) legislation that provides budget authority directly without the need for subsequent appropriations action, and (3) entitlement legislation which, while requiring subsequent appropriations action, essentially "locks in" budget authority at the time of authorization (except legislation which establishes conditional entitlements, where recipients are entitled to payments only to the extent that funds are made available in subsequent appropriations legislation).

Substantive Law - Statutory public law other than appropriations law; sometimes referred to as basic law. Substantive law usually authorizes, in broad general terms, the executive branch to carry out a program of work. Annual determination as to the amount of the work to be done is usually thereafter embodied in appropriations law. (See also authorization legislation.)

Supplemental Appropriation - An act appropriating funds in addition to the twelve regular annual appropriations. Supplemental appropriations provide additional budget authority beyond original estimates for programs or activities (including new programs authorized after the date of the original appropriations act). Supplemental appropriations are enacted when the need for additional funds is too urgent to be postponed until the next regular appropriation is considered, although they are often enacted for other reasons as well.

Surplus - The amount by which revenues exceed outlays for a given fiscal year.

Tax Expenditures - Losses of revenues attributable to provisions of the Federal tax laws which allow a special exclusion, exemption, or deduction from gross income or which provide a special credit, preferential rate of tax, or a deferral of tax liability.

Tax Expenditures Budget - An enumeration of revenue losses resulting from "tax expenditures" under existing law for each fiscal year.

Transfer Appropriation Account - A separate account established to receive and disburse allocations from another appropriation or fund account to carry out the purposes of the parent account or fund. The subsequent transactions of the transfer appropriation account are reported with the transactions of the parent account.

Transfer Between Appropriation Accounts - A transaction that, pursuant to law, withdraws budget authority or balances from one appropriation account for credit to another. Payments to other accounts for goods or services received, or to be received, are not transfers but are outlay transactions.

Transfer of Funds - When specifically authorized in law, all or part of the budget authority in one account may be transferred to another account. Depending upon that nature of the transfer, these charges and credits will be treated as either expenditure transfers or non-expenditure transfers. (See also allocations; expenditure transactions; non-expenditure transactions; transfer appropriation accounts, transfers between appropriation accounts.)

Trust Funds - Refers to a type of account designated by law for receipts or offsetting collections used by the Federal Government for carrying out specific purposes and programs according to terms of a trust agreement or statute, such as the social security and unemployment trust funds. Trust funds are administered by the Government in a fiduciary capacity and are not available for the general purposes of the Government. Trust fund receipt accounts are credited with receipts generated by the terms of the trust agreement or statute. Trust fund receipts that are not anticipated to be used in the immediate future are generally invested in interest-bearing Government securities and earn interest for the trust fund. Trust fund expenditure accounts record amounts appropriated from trust fund receipts to be expended in carrying out the specific purposes or programs under the trust agreement or statute. A special category of trust funds called trust revolving funds is used to carry out a cycle of business-type operations, e.g., the Federal Deposit Insurance Corporation.

Trust Intrafund Transaction - See Offsetting Receipts.

Trust Revolving Funds - See Trust Funds and Revolving Fund.

TSP (Thrift Savings Plan) - Employees covered under CSRS and FERS may participate in TSP, a tax-deferred plan. CSRS employees may contribute to this plan at no cost to the Government. For FERS employees, the Government is required to contribute a minimum of 1% but no more than 5% of each employee's salary, determined by the amount of the employee's contribution.

Undelivered Orders - The value of goods and services ordered and obligated, but which have not been received. This amount includes any orders for which advance payment has been made but for which delivery or performance has not yet occurred. This term is synonymous with unliquidated obligations.

Undesignated Carryover - Funds carried over from prior years which are not identified for a specified project or program. Funds unobligated due to unplanned events - contract cancellations, personnel freeze, decreasing labor costs, etc.

Undistributed Offsetting Receipts - Money collected by the Federal Government from various activities that are not distributed to the function which best describes their substantive role but are instead listed in a separate function and used as offset to total spending. (See offsetting receipts.)

Unexpended Balance - The amount of budget authority previously granted to an agency but still unspent and available for future spending. The unexpended balance is equal to the sum of the obligated and unobligated balances.

Unfilled Customer Orders - The dollar amount of orders accepted from other accounts within the Government for goods and services to be furnished on a reimbursable basis and, in the case of transactions with the public, amounts advanced or collected for which the account or fund has not yet performed the service or incurred its own obligations for that purpose.

Unliquidated Obligations - Amounts which have been committed for a specific purpose but for which there has been no disbursement of funds.

Unobligated Balance - The amount of obligational authority that has not yet been obligated.

Veto - Refers to the refusal of the President to sign legislation approved by the Congress. The Congress may override a veto by a two-thirds vote of each House.

Warrant - The official document issued pursuant to law by the Secretary of the Treasury that establishes the amount of money authorized to be withdrawn from the Treasury.

Working Capital Fund - A revolving fund operating as a self-supporting entity in which the assets are capitalized and in which all income is in the form of receipts derived from its operations and available in their entirety to finance the fund's continuing cycle of operations without fiscal year limitation as authorized by statute. A working capital fund is a type of intragovernmental revolving fund.

Write-Off - The amount of no-year authority that is withdrawn from availability for obligations by administrative action, pursuant to 31 U.S.C. 1555. This excludes amounts withdrawn from expired accounts pursuant to the Act of July 25, 1956 (31 U.S.C. 1551-1556) and amounts rescinded by the Congress.

VOLUME II – LAWS AND REGULATIONS

TABLE OF CONTENTS

	Page Number
Section 4 Statutory Citations and Excerpts	<u>II - 1</u>
Statutory Citations	<u>II - 1</u>
Excerpts from Title 31 U.S.C. Chapter 11 - the Budget and Fiscal, Budget and Program Information	<u>II - 2</u>
Excerpts from Title 31 U.S.C. Chapter 13 - Appropriations	<u>II - 17</u>
Excerpts from Title 31 U.S.C. Chapter 15 – Appropriation Accounting	<u>II - 18</u>
Section 5 Administrative Rules and Regulations	<u>II - 24</u>
OMB Circulars and GAO Documents	<u>II - 24</u>
Annual Reports and Documents	<u>II - 24</u>
Section 6 House and Senate Authorization and Appropriation Rules	<u>II - 26</u>
Authorization Rules	<u>II - 26</u>
Appropriations Rules and Precedents	<u>II - 29</u>
Section 7 Policies Governing Release of Budgetary Information	<u>II - 32</u>
Congressional Testimony and Communications	<u>II - 32</u>
Clearance of Materials for the Congress and the Media	<u>II - 33</u>
Clearance of Changes in the President’s Budget	<u>II - 34</u>
Information Available to the Public	<u>II - 34</u>

SECTION 4 – STATUTORY CITATIONS AND EXCERPTS

A. Statutory Citations

1) [The Constitution of the United States, Article I](#)

- i) The "power of the purse" is a legislative power. The Constitution lists the power to lay and collect taxes (section 8) as one of the powers of the Congress and provides that funds may be drawn from the Treasury only pursuant to appropriations made by law (section 9). Neither the Constitution nor the procedures subsequently developed by the House and Senate provided for a budget system.

2) [The Budget and Accounting Act of 1921 \(P.L. 67-13; 42 Stat. 20\) \(June 10, 1921\)](#)

- i) This Act established an executive budget process; it did not directly alter the procedures by which the Congress makes revenue and spending decisions. The President was required to submit budget recommendations to the Congress each year, and the Bureau of the Budget (renamed the Office of Management and Budget (OMB) in 1970) was created to aid in carrying out the budgetary responsibilities. The 1921 Act also established the General Accounting Office (GAO) as the principal auditing arm of the Federal Government. The Budget and Accounting Act of 1921, as amended, remains the statutory basis for the Presidential budget system.

3) [The Congressional Budget and Impoundment Control Act of 1974, \(P.L. 93-344; 88 Stat. 297\) \(July 12, 1974\)](#)

- i) This Act established a congressional budget process centered on a "concurrent resolution on the budget", scheduled for adoption prior to legislative consideration of revenue or spending bills. The central purpose of the process established by the Act is to coordinate the various revenue and spending decisions which are made in separate tax, appropriation, and legislative measures. To assist the Congress in making budget decisions, the 1974 Budget Act established the Congressional Budget Office (CBO). During the years that the congressional budget process has been in operation, its procedures have been adapted by the Congress to changing circumstances.

4) [Balanced Budget and Emergency Deficit Control Act of 1985, \(P.L. 99-177; 99 Stat. 1037\) \(December 12, 1985\)](#)

- i) This Act is commonly referred to as the Gramm-Rudman-Hollings Act. Following a decade of experience with the 1974 Budget Act, the Congress enacted this legislation to make a number of changes to the budget process. These laws are codified at 2 U.S.C. SS601, et. seq., and SS901, et. seq. Gramm-Rudman-Hollings

was supplemented and extended by enactment of the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987. (P.L. 100-119; 101 Stat. 754) (September 29, 1987), the Budget Reconciliation Act of 1990 (P.L. 101-508, Title XIII; 104 Stat. 1388-608) (November 5, 1990), and most recently, the Budget Enforcement Act of 1997 (P.L. 105 -33, Title X; 111 Stat.667) (August 5, 1997).

5) [Title 31, U.S. Code - Money and Finance](#)

- i) This legislation codifies and consolidates laws applicable to the budget process, e.g., the budget system, budgetary and fiscal information, appropriations, apportionments and accounting, including the requirements of the Anti-deficiency Act which prohibit the obligation or expenditure of funds in excess of amounts appropriated by law.

6) [The Government Performance and Results Act of 1993, \(P.L. 103-62; 107 Stat. 285, August 3, 1993\)](#)

- i) This Act, commonly referred to as GPRA or the Results Act, requires that Federal agencies develop and implement an accountability system based on performance measurement, including setting goals and objectives and measuring progress toward achieving them. To this end, agencies must provide strategic plans, annual performance plans, and annual program performance reports to show what is being accomplished with their budgetary resources.

7) The Federal Credit Reform Act of 1990, (P.L. 101-508; 104 Stat. 1388-609, November 5, 1990)

- i) This Act instituted reforms in Federal credit programs that changed the budgetary measurement of direct and guaranteed loan costs. The intent of this Act is to ensure that the cost of Federal loan programs is measured as accurately as possible so that these costs can be taken into account in making budgetary decisions.

8) [Section 15 \(Basic Budget Laws\) of OMB Circular No. A-11](#)

- i) This section provides a good summary of the primary laws that govern the federal budget cycle (http://www.whitehouse.gov/omb/circulars/a11/current_year/s15.pdf).

B. [Excerpts from Title 31 U.S.C., Subtitle II, Chapter 11 – The Budget and Fiscal, Budget, and Program Information](#)

- 1) The following excerpts from Title 31 are particularly relevant for budget formulation and execution.
- 2) [Section 1104 - Budget and appropriations authority of the President](#)

“(a) The President shall prepare budgets of the United States Government under section 1105 of this title and proposed deficiency and supplemental appropriations under section 1107 of this title. To the extent practicable, the President shall use uniform terms in stating the purposes and conditions of appropriations.

(b) Except as provided in this chapter, the President shall prescribe the contents and order of statements in the budget on expenditures and estimated expenditures and statements on proposed appropriations and information submitted with the budget and proposed appropriations. The President shall include with the budget and proposed appropriations information on personnel and other objects of expenditure in the way that information was included in the budget for fiscal year 1950. However, the requirement that information be included in the budget in that way may be waived or changed by joint action of the Committees on Appropriations of both Houses of Congress. This subsection does not limit the authority of a committee of the Congress to request information in a form it prescribes.

(c) When the President makes a basic change in the form of the budget, the President shall submit with the budget information showing where items in the budget for the prior fiscal year are contained in the present budget. However, the President may change the functional categories in the budget only in consultation with the Committees on Appropriations and on the Budget of both Houses of Congress. Committees of the House of Representatives and Senate shall receive prompt notification of all such changes.

(d) The President shall develop programs and prescribe regulations to improve the compilation, analysis, publication, and dissemination of statistical information by executive agencies. The President shall carry out this subsection through the Administrator for the Office of Information and Regulatory Affairs in the Office of Management and Budget.

(e) Under regulations prescribed by the President, each agency shall provide information required by the President in carrying out this chapter. The President has access to, and may inspect, records of an agency to obtain information.”

“The Budget and Fiscal, Budget, and Program Information” 31 U.S.C. 1104, January 3, 2006, Available from: GPO Access, http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=browse_usc&docid=Cite:+31USC1104.

3) [Section 1105 - Budget contents and submission to Congress](#)

“(a) On or after the first Monday in January but not later than the first Monday in February of each year, the President shall submit a budget of the United States Government for the following fiscal year. Each budget shall include a budget

message and summary and supporting information. The President shall include in each budget the following:

- (1) information on activities and functions of the Government.
- (2) when practicable, information on costs and achievements of Government programs.
- (3) other desirable classifications of information.
- (4) a reconciliation of the summary information on expenditures with proposed appropriations.
- (5) except as provided in subsection (b) of this section, estimated expenditures and proposed appropriations the President decides are necessary to support the Government in the fiscal year for which the budget is submitted and the 4 fiscal years after that year.
- (6) estimated receipts of the Government in the fiscal year for which the budget is submitted and the 4 fiscal years after that year under—
 - (A) laws in effect when the budget is submitted; and
 - (B) proposals in the budget to increase revenues.
- (7) appropriations, expenditures, and receipts of the Government in the prior fiscal year.
- (8) estimated expenditures and receipts, and appropriations and proposed appropriations, of the Government for the current fiscal year.
- (9) balanced statements of the—
 - (A) condition of the Treasury at the end of the prior fiscal year;
 - (B) estimated condition of the Treasury at the end of the current fiscal year;and
 - (C) estimated condition of the Treasury at the end of the fiscal year for which the budget is submitted if financial proposals in the budget are adopted.
- (10) essential information about the debt of the Government.

(11) other financial information the President decides is desirable to explain in practicable detail the financial condition of the Government.

(12) for each proposal in the budget for legislation that would establish or expand a Government activity or function, a table showing—

(A) the amount proposed in the budget for appropriation and for expenditure because of the proposal in the fiscal year for which the budget is submitted; and

(B) the estimated appropriation required because of the proposal for each of the 4 fiscal years after that year that the proposal will be in effect.

(13) an allowance for additional estimated expenditures and proposed appropriations for the fiscal year for which the budget is submitted.

(14) an allowance for unanticipated uncontrollable expenditures for that year.

(15) a separate statement on each of the items referred to in section 301(a)(1)-(5) of the Congressional Budget Act of 1974 (2 U.S.C. 632(a)(1)-(5)).

(16) the level of tax expenditures under existing law in the tax expenditures budget (as defined in section 3(a)(3) of the Congressional Budget Act of 1974 (2 U.S.C. 622(a)(3)) for the fiscal year for which the budget is submitted, considering projected economic factors and changes in the existing levels based on proposals in the budget.”

“The Budget and Fiscal, Budget, and Program Information” 31 U.S.C. 1104(a)-(a)(16), January 3, 2006, Available from: GPO Access, http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=browse_usc&docid=Cite:+31USC1105.

- i) Subsections (a)(17)-(33) provide further details on specific information requirements. Subsection (b) discusses budget requests for the legislative and judicial branches.

“(b) Estimated expenditures and proposed appropriations for the legislative branch and the judicial branch to be included in each budget under subsection (a) (5) of this section shall be submitted to the President before October 16 of each year and included in the budget by the President without change.”

“The Budget and Fiscal, Budget, and Program Information” 31 U.S.C. 1104(b), January 3, 2006, Available from: GPO Access, http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=browse_usc&docid=Cite:+31USC1105.

“(c) The President shall recommend in the budget appropriate action to meet an

estimated deficiency when the estimated receipts for the fiscal year for which the budget is submitted (under laws in effect when the budget is submitted) and the estimated amounts in the Treasury at the end of the current fiscal year available for expenditure in the fiscal year for which the budget is submitted, are less than the estimated expenditures for that year. The President shall make recommendations required by the public interest when the estimated receipts and estimated amounts in the Treasury are more than the estimated expenditures.”

“The Budget and Fiscal, Budget, and Program Information” 31 U.S.C. 1104(c), January 3, 2006, Available from: GPO Access, http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=browse_usc&docid=Cite:+31USC1105.

- ii) Requirements for information on capital investment (subsection (e)) and compliance with maximum deficit amounts (subsection (f)) were added by the Balanced Budget and Emergency Deficit Control Act of 1985 (G-R-H I) and amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (G-R-H II).

4) [Section 1106 - Supplemental budget estimates and changes](#)

“(a) Before July 16 of each year, the President shall submit to Congress a supplemental summary of the budget for the fiscal year for which the budget is submitted under section 1105(a) of this title. The summary shall include—

(1) for that fiscal year—

(A) substantial changes in or reappraisals of estimates of expenditures and receipts;

(B) substantial obligations imposed on the budget after its submission;

(C) current information on matters referred to in section 1105(a)(8) and (9)(B) and (C) of this title; and

(D) additional information the President decides is advisable to provide Congress with complete and current information about the budget and current estimates of the functions, obligations, requirements, and financial condition of the United States Government;

(2) for the 4 fiscal years following the fiscal year for which the budget is submitted, information on estimated expenditures for programs authorized to continue in future years, or that are considered mandatory, under law; and

(3) for future fiscal years, information on estimated expenditures of balances carried over from the fiscal year for which the budget is submitted.

(b) Before July 16 of each year, the President shall submit to Congress a statement of changes in budget authority requested, estimated budget outlays, and estimated receipts for the fiscal year for which the budget is submitted (including prior changes proposed for the executive branch of the Government) that the President decides are necessary and appropriate based on current information. The statement shall include the effect of those changes on the information submitted under section 1105(a)(1)-(14) and (b) of this title and shall include supporting information as practicable. The statement submitted before July 16 may be included in the information submitted under subsection (a)(1) of this section.

(c) Subsection (f) of section 1105 shall apply to revisions and supplemental summaries submitted under this section to the same extent that such subsection applies to the budget submitted under section 1105(a) to which such revisions and summaries relate.”

“The Budget and Fiscal, Budget, and Program Information” 31 U.S.C. 1106, January 3, 2006, Available from: GPO Access, http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=browse_usc&docid=Cite:+31USC1106.

5) [Section 1107 - Deficiency and supplemental appropriations](#)

“The President may submit to Congress proposed deficiency and supplemental appropriations the President decides are necessary because of laws enacted after the submission of the budget or that are in the public interest. The President shall include the reasons for the submission of the proposed appropriations and the reasons the proposed appropriations were not included in the budget. When the total proposed appropriations would have required the President to make a recommendation under section 1105(c) of this title if they had been included in the budget, the President shall make a recommendation under that section.”

“The Budget and Fiscal, Budget, and Program Information” 31 U.S.C. 1107, January 3, 2006, Available from: GPO Access, http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=browse_usc&docid=Cite:+31USC1107.

6) [Section 1108 - Preparation and submission of appropriations requests to the President](#)

“(a) In this section (except subsections (b)(1) and (e)), “agency” means a department, agency, or instrumentality of the United States Government.

(b)(1) The head of each agency shall prepare and submit to the President each appropriation request for the agency. The request shall be prepared and submitted in the form prescribed by the President under this chapter and by the date established by the President. When the head of an agency does not submit a request by that date, the President shall prepare the request for the agency to be included in the budget or

changes in the budget or as deficiency and supplemental appropriations. The President may change agency appropriation requests. Agency appropriation requests shall be developed from cost-based budgets in the way and at times prescribed by the President. The head of the agency shall use the cost-based budget to administer the agency and to divide appropriations or amounts.

(2) An officer or employee of an agency in the executive branch may submit to the President or Congress a request for legislation authorizing deficiency or supplemental appropriations for the agency only with the approval of the head of the agency.

(c) The head of an agency shall include with an appropriation request submitted to the President a report that the statement of obligations submitted with the request contains obligations consistent with section 1501 of this title. The head of the agency shall support the report with a certification of the consistency and shall support the certification with records showing that the amounts have been obligated. The head of the agency shall designate officials to make the certifications, and those officials may not delegate the duty to make the certifications. The certifications and records shall be kept in the agency—

(1) in a form that makes audits and reconciliations easy; and

(2) for a period necessary to carry out audits and reconciliations.

(d) To the extent practicable, the head of an agency shall—

(1) provide information supporting the agency's budget request for its missions by function and subfunction (including the mission of each organizational unit of the agency); and

(2) relate the agency's programs to its missions.

(e) Except as provided in subsection (f) of this section, an officer or employee of an agency (as defined in section 1101 of this title) may submit to Congress or a committee of Congress an appropriations estimate or request, a request for an increase in that estimate or request, or a recommendation on meeting the financial needs of the Government only when requested by either House of Congress.

(f) The Interstate Commerce Commission shall submit to Congress copies of budget estimates, requests, and information (including personnel needs), legislative recommendations, prepared testimony for congressional hearings, and comments on legislation at the same time they are sent to the President or the Office of Management and Budget. An officer of an agency may not impose conditions on or impair communication by the Commission with Congress, or a committee or member of Congress, about the information.

(g) Amounts available under law are available for field examinations of appropriation estimates. The use of the amounts is subject only to regulations prescribed by the appropriate standing committees of Congress.”

“The Budget and Fiscal, Budget, and Program Information” 31 U.S.C. 1108, January 3, 2006, Available from: GPO Access, http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=browse_usc&docid=Cite:+31USC1108.

7) [Section 1109 - Current programs and activities estimates](#)

“(a) On or before the first Monday after January 3 of each year (on or before February 5 in 1986), the President shall submit to both Houses of Congress the estimated budget outlays and proposed budget authority that would be included in the budget for the following fiscal year if programs and activities of the United States Government were carried on during that year at the same level as the current fiscal year without a change in policy. The President shall state the estimated budget outlays and proposed budget authority by function and subfunction under the classifications in the budget summary table under the heading “Budget Authority and Outlays by Function and Agency”, by major programs in each function, and by agency. The President also shall include a statement of the economic and program assumptions on which those budget outlays and budget authority are based, including inflation, real economic growth, and unemployment rates, program caseloads, and pay increases.

(b) The Joint Economic Committee shall review the estimated budget outlays and proposed budget authority and submit an economic evaluation of the budget outlays and budget authority to the Committees on the Budget of both Houses before March 1 of each year.”

“The Budget and Fiscal, Budget, and Program Information” 31 U.S.C. 1109, January 3, 2006, Available from: GPO Access, http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=browse_usc&docid=Cite:+31USC1109.

8) [Section 1110 - Year-ahead request for authorizing legislation](#)

A request to enact legislation authorizing new budget authority to continue a program or activity for a fiscal year shall be submitted to Congress before May 16 of the year before the year in which the fiscal year begins. If a new program or activity will continue for more than one year, the request must be submitted for at least the first and 2d fiscal years.

“The Budget and Fiscal, Budget, and Program Information” 31 U.S.C. 1110, January 3, 2006, Available from: GPO Access, http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=browse_usc&docid=Cite:+31USC1110.

9) [Section 1111 - Improving economy and efficiency](#)

“To improve economy and efficiency in the United States Government, the President shall—

(1) make a study of each agency to decide, and may send Congress recommendations, on changes that should be made in—

(A) the organization, activities, and business methods of agencies;

(B) agency appropriations;

(C) the assignment of particular activities to particular services; and

(D) regrouping of services; and

(2) evaluate and develop improved plans for the organization, coordination, and management of the executive branch of the Government.”

“The Budget and Fiscal, Budget, and Program Information” 31 U.S.C. 1111, January 3, 2006, Available from: GPO Access, http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=browse_usc&docid=Cite:+31USC1111.

10) [Section 1112 - Fiscal, budget, and program information](#)

“(a) In this section, “agency” means a department, agency, or instrumentality of the United States Government except a mixed-ownership Government corporation.

(b) In cooperation with the Comptroller General, the Secretary of the Treasury and the Director of the Office of Management and Budget shall establish and maintain standard data processing and information systems for fiscal, budget, and program information for use by agencies to meet the needs of the Government, and to the extent practicable, of State and local governments.

(c) The Comptroller General—

(1) in cooperation with the Secretary, the Director of the Office of Management and Budget, and the Director of the Congressional Budget Office, shall establish, maintain, and publish standard terms and classifications for fiscal, budget, and program information of the Government, including information on fiscal policy, receipts, expenditures, programs, projects, activities, and functions;

(2) when advisable, shall report to Congress on those terms and classifications, and recommend legislation necessary to promote the establishment, maintenance, and

use of standard terms and classifications by the executive branch of the Government;
and

(3) in carrying out this subsection, shall give particular consideration to the needs of the Committees on Appropriations and on the Budget of both Houses of Congress, the Committee on Ways and Means of the House, the Committee on Finance of the Senate, and the Congressional Budget Office.

(d) Agencies shall use the standard terms and classifications published under subsection (c)(1) of this section in providing fiscal, budget, and program information to Congress.

(e) In consultation with the President, the head of each executive agency shall take actions necessary to achieve to the extent possible—

(1) consistency in budget and accounting classifications;

(2) synchronization between those classifications and organizational structure;
and

(3) information by organizational unit on performance and program costs to support budget justifications.

(f) In cooperation with the Director of the Congressional Budget Office, the Comptroller General, and appropriate representatives of State and local governments, the Director of the Office of Management and Budget (to the extent practicable) shall provide State and local governments with fiscal, budget, and program information necessary for accurate and timely determination by those governments of the impact on their budgets of assistance of the United States Government.”

“The Budget and Fiscal, Budget, and Program Information” 31 U.S.C. 1112, January 3, 2006, Available from: GPO Access, http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=browse_usc&docid=Cite:+31USC1112.

11) [Section 1113 - Congressional information](#)

“(a)(1) When requested by a committee of Congress having jurisdiction over receipts or appropriations, the President shall provide the committee with assistance and information.

(2) When requested by a committee of Congress, additional information related to the amount of an appropriation originally requested by an Office of Inspector General shall be submitted to the committee.

(b) When requested by a committee of Congress, by the Comptroller General, or by the Director of the Congressional Budget Office, the Secretary of the Treasury, the

Director of the Office of Management and Budget, and the head of each executive agency shall—

(1) provide information on the location and kind of available fiscal, budget, and program information;

(2) to the extent practicable, prepare summary tables of that fiscal, budget, and program information and related information the committee, the Comptroller General, or the Director of the Congressional Budget Office considers necessary; and

(3) provide a program evaluation carried out or commissioned by an executive agency.

(c) In cooperation with the Director of the Congressional Budget Office, the Secretary, and the Director of the Office of Management and Budget, the Comptroller General shall—

(1) establish and maintain a current directory of sources of, and information systems for, fiscal, budget, and program information and a brief description of the contents of each source and system;

(2) when requested, provide assistance to committees of Congress and members of Congress in obtaining information from the sources in the directory; and

(3) when requested, provide assistance to committees and, to the extent practicable, to members of Congress in evaluating the information obtained from the sources in the directory.

(d) To the extent they consider necessary, the Comptroller General and the Director of the Congressional Budget Office individually or jointly shall establish and maintain a file of information to meet recurring needs of Congress for fiscal, budget, and program information to carry out this section and sections 717 and 1112 of this title. The file shall include information on budget requests, congressional authorizations to obligate and expend, apportionment and reserve actions, and obligations and expenditures. The Comptroller General and the Director shall maintain the file and an index to the file so that it is easier for the committees and agencies of Congress to use the file and index through data processing and communications techniques.

(e)(1) The Comptroller General shall—

(A) carry out a continuing program to identify the needs of committees and members of Congress for fiscal, budget, and program information to carry out this section and section 1112 of this title;

(B) assist committees of Congress in developing their information needs;

(C) monitor recurring reporting requirements of Congress and committees; and

(D) make recommendations to Congress and committees for changes and improvements in those reporting requirements to meet information needs identified by the Comptroller General, to improve their usefulness to congressional users, and to eliminate unnecessary reporting.

(2) Before September 2 of each year, the Comptroller General shall report to Congress on—

(A) the needs identified under paragraph (1)(A) of this subsection;

(B) the relationship of those needs to existing reporting requirements;

(C) the extent to which reporting by the executive branch of the United States Government currently meets the identified needs;

(D) the changes to standard classifications necessary to meet congressional needs;

(E) activities, progress, and results of the program of the Comptroller General under paragraph (1)(B)-(D) of this subsection; and

(F) progress of the executive branch in the prior year.

(3) Before March 2 of each year, the Director of the Office of Management and Budget and the Secretary shall report to Congress on plans for meeting the needs identified under paragraph (1)(A) of this subsection, including—

(A) plans for carrying out changes to classifications to meet information needs of Congress;

(B) the status of information systems in the prior year; and

(C) the use of standard classifications.”

“The Budget and Fiscal, Budget, and Program Information” 31 U.S.C. 1113, January 3, 2006, Available from: GPO Access, http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=browse_usc&docid=Cite:+31USC1113.

12) [Section 1115 - Performance plans](#)

“(a) In carrying out the provisions of section 1105(a)(28), the Director of the Office of Management and Budget shall require each agency to prepare an annual performance plan covering each program activity set forth in the budget of such agency. Such plan shall—

(1) establish performance goals to define the level of performance to be achieved by a program activity;

(2) express such goals in an objective, quantifiable, and measurable form unless authorized to be in an alternative form under subsection (b);

(3) provide a description of how the performance goals and objectives are to be achieved, including the operation processes, training, skills and technology, and the human, capital, information, and other resources and strategies required to meet those performance goals and objectives[;]

(4) establish performance indicators to be used in measuring or assessing the relevant outputs, service levels, and outcomes of each program activity;

(5) provide a basis for comparing actual program results with the established performance goals; and

(6) describe the means to be used to verify and validate measured values.

(b) If an agency, in consultation with the Director of the Office of Management and Budget, determines that it is not feasible to express the performance goals for a particular program activity in an objective, quantifiable, and measurable form, the Director of the Office of Management and Budget may authorize an alternative form. Such alternative form shall—

(1) include separate descriptive statements of—

(A)(i) a minimally effective program, and

(ii) a successful program, or

(B) such alternative as authorized by the Director of the Office of Management and Budget, with sufficient precision and in such terms that would allow for an accurate, independent determination of whether the program activity's performance meets the criteria of the description; or

(2) state why it is infeasible or impractical to express a performance goal in any form for the program activity.

(c) For the purpose of complying with this section, an agency may aggregate, disaggregate, or consolidate program activities, except that any aggregation or consolidation may not omit or minimize the significance of any program activity constituting a major function or operation for the agency.

(d) An agency may submit with its annual performance plan an appendix covering any portion of the plan that—

(1) is specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy; and

(2) is properly classified pursuant to such Executive order.

(e) The functions and activities of this section shall be considered to be inherently Governmental functions. The drafting of performance plans under this section shall be performed only by Federal employees.

(f) With respect to each agency with a Chief Human Capital Officer, the Chief Human Capital Officer shall prepare that portion of the annual performance plan described under subsection (a)(3).

(g) For purposes of this section and sections 1116 through 1119, and sections 9703 and 9704 the term

(1) "agency" has the same meaning as such term is defined under section 306(f) of title 5;

(2) "outcome measure" means an assessment of the results of a program activity compared to its intended purpose;

(3) "output measure" means the tabulation, calculation, or recording of activity or effort and can be expressed in a quantitative or qualitative manner;

(4) "performance goal" means a target level of performance expressed as a tangible, measurable objective, against which actual achievement can be compared, including a goal expressed as a quantitative standard, value, or rate;

(5) "performance indicator" means a particular value or characteristic used to measure output or outcome;

(6) "program activity" means a specific activity or project as listed in the program and financing schedules of the annual budget of the United States Government; and

(7) "program evaluation" means an assessment, through objective measurement and systematic analysis, of the manner and extent to which Federal programs achieve intended objectives."

"The Budget and Fiscal, Budget, and Program Information" 31 U.S.C. 1115, January 3, 2006, Available from: GPO Access, http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=browse_usc&docid=Cite:+31USC1115.

13) [Section 1116 - Program performance reports](#)

"(a) Not later than 150 days after the end of an agency's fiscal year, the head of each agency shall prepare and submit to the President and the Congress, a report on program performance for the previous fiscal year.

(b)(1) Each program performance report shall set forth the performance indicators established in the agency performance plan under section 1115, along with the actual

program performance achieved compared with the performance goals expressed in the plan for that fiscal year.

(2) If performance goals are specified in an alternative form under section 1115(b), the results of such program shall be described in relation to such specifications, including whether the performance failed to meet the criteria of a minimally effective or successful program.

(c) The report for fiscal year 2000 shall include actual results for the preceding fiscal year, the report for fiscal year 2001 shall include actual results for the two preceding fiscal years, and the report for fiscal year 2002 and all subsequent reports shall include actual results for the three preceding fiscal years.

(d) Each report shall—

(1) review the success of achieving the performance goals of the fiscal year;

(2) evaluate the performance plan for the current fiscal year relative to the performance achieved toward the performance goals in the fiscal year covered by the report;

(3) explain and describe, where a performance goal has not been met (including when a program activity's performance is determined not to have met the criteria of a successful program activity under section 1115(b)(1)(A)(ii) or a corresponding level of achievement if another alternative form is used)—

(A) why the goal was not met;

(B) those plans and schedules for achieving the established performance goal; and

(C) if the performance goal is impractical or infeasible, why that is the case and what action is recommended;

(4) describe the use and assess the effectiveness in achieving performance goals of any waiver under section 9703 of this title;

(5) include a review of the performance goals and evaluation of the performance plan relative to the agency's strategic human capital management; and

(6) include the summary findings of those program evaluations completed during the fiscal year covered by the report.

(e)(1) Except as provided in paragraph

(2), each program performance report shall contain an assessment by the agency head of the completeness and reliability of the performance data included in the report. The assessment shall describe any material inadequacies in the completeness

and reliability of the performance data, and the actions the agency can take and is taking to resolve such inadequacies. (2) If a program performance report is incorporated into a report submitted under section 3516, the requirements of section 3516(e) shall apply in lieu of paragraph (1).

(f) The functions and activities of this section shall be considered to be inherently Governmental functions. The drafting of program performance reports under this section shall be performed only by Federal employees.”

“The Budget and Fiscal, Budget, and Program Information” 31 U.S.C. 1116, January 3, 2006, Available from: GPO Access, http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=browse_usc&docid=Cite:+31USC1116.

C. Excerpts from Title 31 U.S.C., Subtitle II, Chapter 13 – Appropriations

1) Section 1301 - Application

“(a) Appropriations shall be applied only to the objects for which the appropriations were made except as otherwise provided by law.

(b) The reappropriation and diversion of the unexpended balance of an appropriation for a purpose other than that for which the appropriation originally was made shall be construed and accounted for as a new appropriation. The unexpended balance shall be reduced by the amount to be diverted.

(c) An appropriation in a regular, annual appropriation law may be construed to be permanent or available continuously only if the appropriation—

(1) is for rivers and harbors, lighthouses, public buildings, or the pay of the Navy and Marine Corps; or

(2) expressly provides that it is available after the fiscal year covered by the law in which it appears.

(d) A law may be construed to make an appropriation out of the Treasury or to authorize making a contract for the payment of money in excess of an appropriation only if the law specifically states that an appropriation is made or that such a contract may be made.”

“The Budget and Fiscal, Budget, and Program Information” 31 U.S.C. 1301, January 3, 2006, Available from: GPO Access, http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=browse_usc&docid=Cite:+31USC1301.

2) Section 1341 - Limitations on expending and obligating amounts

“(a)(1) An officer or employee of the United States Government or of the District of Columbia government may not—

(A) make or authorize an expenditure or obligation exceeding an amount available in an appropriation or fund for the expenditure or obligation;

(B) involve either government in a contract or obligation for the payment of money before an appropriation is made unless authorized by law;

(C) make or authorize an expenditure or obligation of funds required to be sequestered under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985; or

(D) involve either government in a contract or obligation for the payment of money required to be sequestered under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.”

(2) This subsection does not apply to a corporation getting amounts to make loans (except paid in capital amounts) without legal liability of the United States Government.

(b) An article to be used by an executive department in the District of Columbia that could be bought out of an appropriation made to a regular contingent fund of the department may not be bought out of another amount available for obligation.”

“The Budget and Fiscal, Budget, and Program Information” 31 U.S.C. 1341, January 3, 2006, Available from: GPO Access, http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=browse_usc&docid=Cite:+31USC1341.

D. [Excerpts from Title 31 U.S.C., Subtitle II, Chapter 15 – Appropriation Accounting – Subchapter II - Apportionment](#)

1) [Section 1512 – Apportionment and Reserves](#)

“(a) Except as provided in this subchapter, an appropriation available for obligation for a definite period shall be apportioned to prevent obligation or expenditure at a rate that would indicate a necessity for a deficiency or supplemental appropriation for the period. An appropriation for an indefinite period and authority to make obligations by contract before appropriations shall be apportioned to achieve the most effective and economical use. An apportionment may be reapportioned under this section.

(b)(1) An appropriation subject to apportionment is apportioned by—

(A) months, calendar quarters, operating seasons, or other time periods;

(B) activities, functions, projects, or objects; or

(C) a combination of the ways referred to in clauses (A) and (B) of this paragraph.

(2) The official designated in section 1513 of this title to make apportionments shall apportion an appropriation under paragraph (1) of this subsection as the official considers appropriate. Except as specified by the official, an amount apportioned is available for obligation under the terms of the appropriation on a cumulative basis unless reapportioned.

(c)(1) In apportioning or reapportioning an appropriation, a reserve may be established only—

(A) to provide for contingencies;

(B) to achieve savings made possible by or through changes in requirements or greater efficiency of operations; or

(C) as specifically provided by law.

(2) A reserve established under this subsection may be changed as necessary to carry out the scope and objectives of the appropriation concerned. When an official designated in section 1513 of this title to make apportionments decides that an amount reserved will not be required to carry out the objectives and scope of the appropriation concerned, the official shall recommend the rescission of the amount in the way provided in chapter 11 of this title for appropriation requests. Reserves established under this section shall be reported to Congress as provided in the Impoundment Control Act of 1974 (2 U.S.C. 681 et seq.).

(d) An apportionment or a reapportionment shall be reviewed at least 4 times a year by the official designated in section 1513 of this title to make apportionments.”

“The Budget and Fiscal, Budget, and Program Information” 31 U.S.C. 1512, January 3, 2006, Available from: GPO Access, http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=browse_usc&docid=Cite:+31USC1512.

2) [Section 1513 - Officials controlling apportionments](#)

“(a) The official having administrative control of an appropriation available to the legislative branch, the judicial branch, the United States International Trade Commission, or the District of Columbia government that is required to be apportioned under section 1512 of this title shall apportion the appropriation in writing. An appropriation shall be apportioned not later than the later of the following:

(1) 30 days before the beginning of the fiscal year for which the appropriation is available; or

(2) 30 days after the date of enactment of the law by which the appropriation is made available.

(b)(1) The President shall apportion in writing an appropriation available to an executive agency (except the Commission) that is required to be apportioned under section 1512 of this title. The head of each executive agency to which the appropriation is available shall submit to the President information required for the apportionment in the form and the way and at the time specified by the President. The information shall be submitted not later than the later of the following:

(A) 40 days before the beginning of the fiscal year for which the appropriation is available; or

(B) 15 days after the date of enactment of the law by which the appropriation is made available.

(2) The President shall notify the head of the executive agency of the action taken in apportioning the appropriation under paragraph (1) of this subsection not later than the later of the following:

(A) 20 days before the beginning of the fiscal year for which the appropriation is available; or

(B) 30 days after the date of enactment of the law by which the appropriation is made available.

(c) By the first day of each fiscal year, the head of each executive department of the United States Government shall apportion among the major organizational units of the department the maximum amount to be expended by each unit during the fiscal year out of each contingent fund appropriated for the entire year for the department. Each amount may be changed during the fiscal year only by written direction of the head of the department. The direction shall state the reasons for the change.

(d) An appropriation apportioned under this subchapter may be divided and subdivided administratively within the limits of the apportionment.

(e) This section does not affect the initiation and operation of agricultural price support programs.”

“The Budget and Fiscal, Budget, and Program Information” 31 U.S.C. 1513, January 3, 2006, Available from: GPO Access, http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=browse_usc&docid=Cite:+31USC1513.

3) [Section 1514 - Administrative division of apportionments](#)

“(a) The official having administrative control of an appropriation available to the legislative branch, the judicial branch, the United States International Trade Commission, or the District of Columbia government, and, subject to the approval of the President, the head of each executive agency (except the Commission) shall prescribe by regulation a system of administrative control not inconsistent with accounting procedures prescribed under law. The system shall be designed to—

(1) restrict obligations or expenditures from each appropriation to the amount of apportionments or reappropriations of the appropriation; and

(2) enable the official or the head of the executive agency to fix responsibility for an obligation or expenditure exceeding an apportionment or reappropriation.

(b) To have a simplified system for administratively dividing appropriations, the head of each executive agency (except the Commission) shall work toward the objective of financing each operating unit, at the highest practical level, from not more than one administrative division for each appropriation affecting the unit.”

“The Budget and Fiscal, Budget, and Program Information” 31 U.S.C. 1514, January 3, 2006, Available from: GPO Access, http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=browse_usc&docid=Cite:+31USC1514.

4) [Section 1515 - Authorized apportionments necessitating deficiency or supplemental appropriations](#)

“(a) An appropriation required to be apportioned under section 1512 of this title may be apportioned on a basis that indicates the need for a deficiency or supplemental appropriation to the extent necessary to permit payment of such pay increases as may be granted pursuant to law to civilian officers and employees (including prevailing rate employees whose pay is fixed and adjusted under subchapter IV of chapter 53 of title 5) and to retired and active military personnel.

(b)(1) Except as provided in subsection (a) of this section, an official may make, and the head of an executive agency may request, an apportionment under section 1512 of this title that would indicate a necessity for a deficiency or supplemental appropriation only when the official or agency head decides that the action is required because of—

(A) a law enacted after submission to Congress of the estimates for an appropriation that requires an expenditure beyond administrative control; or

(B) an emergency involving the safety of human life, the protection of property, or the immediate welfare of individuals when an appropriation that would allow the United States Government to pay, or contribute to, amounts required to be paid to individuals in specific amounts fixed by law or under formulas prescribed by law, is insufficient.

(2) If an official making an apportionment decides that an apportionment would indicate a necessity for a deficiency or supplemental appropriation, the official shall submit immediately a detailed report of the facts to Congress. The report shall be referred to in submitting a proposed deficiency or supplemental appropriation.”

“The Budget and Fiscal, Budget, and Program Information” 31 U.S.C. 1515, January 3, 2006, Available from: GPO Access, http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=browse_usc&docid=Cite:+31USC1515.

5) [Section 1516 - Exemptions](#)

“An official designated in section 1513 of this title to make apportionments may exempt from apportionment—

(1) a trust fund or working fund if an expenditure from the fund has no significant effect on the financial operations of the United States Government;

(2) a working capital fund or a revolving fund established for intragovernmental operations;

(3) receipts from industrial and power operations available under law; and

(4) appropriations made specifically for—

(A) interest on, or retirement of, the public debt;

(B) payment of claims, judgments, refunds, and drawbacks;

(C) items the President decides are of a confidential nature;

(D) payment under a law requiring payment of the total amount of the appropriation to a designated payee; and

(E) grants to the States under the Social Security Act (42 U.S.C. 301 et seq.).”

“The Budget and Fiscal, Budget, and Program Information” 31 U.S.C. 1516, January 3, 2006, Available from: GPO Access, http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=browse_usc&docid=Cite:+31USC1516.

6) [Section 1517 - Prohibited obligations and expenditures](#)

“(a) An officer or employee of the United States Government or of the District of Columbia government may not make or authorize an expenditure or obligation exceeding—

(1) an apportionment; or

(2) the amount permitted by regulations prescribed under section 1514(a) of this title.

(b) If an officer or employee of an executive agency or of the District of Columbia government violates subsection (a) of this section, the head of the executive agency or the Mayor of the District of Columbia, as the case may be, shall report immediately to the President and Congress all relevant facts and a statement of actions taken. A copy of each report shall also be transmitted to the Comptroller General on the same date the report is transmitted to the President and Congress.”

“The Budget and Fiscal, Budget, and Program Information” 31 U.S.C. 1517, January 3, 2006, Available from: GPO Access, http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=browse_usc&docid=Cite:+31USC1517.

7) [Section 1518 - Adverse personnel actions](#)

“An officer or employee of the United States Government or of the District of Columbia government violating section 1517(a) of this title shall be subject to appropriate administrative discipline including, when circumstances warrant, suspension from duty without pay or removal from office.”

“The Budget and Fiscal, Budget, and Program Information” 31 U.S.C. 1518, January 3, 2006, Available from: GPO Access, http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=browse_usc&docid=Cite:+31USC1518.

8) [Section 1519 - Criminal penalty](#)

“An officer or employee of the United States Government or of the District of Columbia government knowingly and willfully violating section 1517(a) of this title shall be fined not more than \$5,000, imprisoned for not more than 2 years, or both.”

“The Budget and Fiscal, Budget, and Program Information” 31 U.S.C. 1519, January 3, 2006, Available from: GPO Access, http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=browse_usc&docid=Cite:+31USC1519.

SECTION 5 – ADMINISTRATIVE RULES AND REGULATIONS

A. The following documents provide guidance on rules for the preparation and execution of budgets in the Federal Government.

B. OMB Circulars and GAO Documents

1) OMB Circular A-11

i) This document is issued annually by the Office of Management and Budget. It provides detailed instructions and guidance on the preparation, submission and execution of agency annual budgets and associated materials. OMB Circulars may be found online at <http://www.whitehouse.gov/omb/circulars/index.html>.

2) OMB Circular A-19

i) This circular outlines procedures for the coordination and clearance by the Office of Management and Budget (OMB) of agency recommendations on proposed, pending, and enrolled legislation. It also includes instructions on the timing and preparation of agency legislative programs. This circular has particular relevance for the preparation and submission to Congress of legislative proposals authorizing the enactment of additional appropriations or providing new budget authority outside of appropriations acts.

3) Other selected OMB Circulars

i) A-25, User Charges; A-76, Performance of Commercial Activities; A-127, Financial Management Systems; and A-129, Managing Federal Credit Programs. All of these circulars impact the requests for resources and should be reviewed during the budget formulation and execution process.

4) Principles of Federal Appropriations Law

i) This document organizes the principal rulings of the GAO in the appropriation field. It serves as a helpful reference on issues of obligating funds regarding the availability of appropriations with respect to purpose, time and amount. This document may be found online at <http://www.gao.gov/special.pubs/d04261sp.pdf>.

C. Annual Reports and Documents

1) The following reports are issued annually:

i) The Budget of the United States Government is transmitted by the President to the Congress in February of each year. The President's Budget consists of several

volumes that present the financial proposal for the budget year including the Budget, the Appendix, the Analytical Perspectives, and Historical Tables.

- ii) The Congressional Budget Office prepares an Analysis of the President's Budgetary Proposals based on its own economic assumptions and estimating techniques.
 - iii) The Mid-Session Review, as required by Section 1106 of Title 31, is transmitted by the President to the Congress in July of each year. This is a supplemental update of the President's Budget transmitted earlier in the year and contains revised estimates of the budget deficit, receipts, outlays, and budget authority.
- 2) These annual documents are available from the U.S. Government Printing Office or online at:
- i) <http://www.budget.gov/budget>
 - ii) <http://www.cbo.gov>.

**SECTION 6 – HOUSE AND SENATE AUTHORIZATION AND APPROPRIATION
RULES**

A. Each Congress adopts internal rules governing their proceedings. The congressional rules governing authorizations and appropriations are included in this section, along with explanations of their impact. The Congress may, and often does, suspend or waive a rule. The rules of the 110th Congress may be found online at:

- 1) <http://clerk.house.gov/legislative/rules110/>
- 2) <http://rules.senate.gov/senaterules/>.

B. Authorization Rules

1) House of Representatives

i) [House Rule XXI: Restrictions on Certain Bills](#)

(a) [Clause 2 – General Appropriation Bills and Amendments](#)

“2. (a)(1) An appropriation may not be reported in a general appropriation bill, and may not be in order as an amendment thereto, for an expenditure not previously authorized by law, except to continue appropriations for public works and objects that are already in progress.

(a)(2) A reappropriation of unexpended balances of appropriations may not be reported in a general appropriation bill, and may not be in order as an amendment thereto, except to continue appropriations for public works and objects that are already in progress. This subparagraph does not apply to transfers of unexpended balances within the department or agency for which they were originally appropriated that are reported by the Committee on Appropriations.

(b) A provision changing existing law may not be reported in a general appropriation bill, including a provision making the availability of funds contingent on the receipt or possession of information not required by existing law for the period of the appropriation, except germane provisions that retrench expenditures by the reduction of amounts of money covered by the bill (which may include those recommended to the Committee on Appropriations by direction of a legislative committee having jurisdiction over the subject matter) and except rescissions of appropriations contained in appropriation Acts.

(c) An amendment to a general appropriation bill shall not be in order if changing existing law, including an amendment making the availability of funds contingent on the receipt or possession of information not required by existing law for the period of the appropriation. Except as provided in paragraph

(d), an amendment proposing a limitation not specifically contained or authorized in existing law for the period of the limitation shall not be in order during

consideration of a general appropriation bill.

(d) After a general appropriation bill has been read for amendment, a motion that the Committee of the Whole House on the state of the Union rise and report the bill to the House with such amendments as may have been adopted shall, if offered by the Majority Leader or a designee, have precedence over motions to amend the bill. If such a motion to rise and report is rejected or not offered, amendments proposing limitations not specifically contained or authorized in existing law for the period of the limitation or proposing germane amendments that retrench expenditures by reductions of amounts of money covered by the bill may be considered.

(e) A provision other than an appropriation designated an emergency under section 251(b)(2) or section 252(e) of the Balanced Budget and Emergency Deficit Control Act, a rescission of budget authority, or a reduction in direct spending or an amount for a designated emergency may not be reported in an appropriation bill or joint resolution containing an emergency designation under section 251(b)(2) or section 252(e) of such Act and may not be in order as an amendment thereto.

(f) During the reading of an appropriation bill for amendment in the Committee of the Whole House on the state of the Union, it shall be in order to consider en bloc amendments proposing only to transfer appropriations among objects in the bill without increasing the levels of budget authority or outlays in the bill. When considered en bloc under this paragraph, such amendments may amend portions of the bill not yet read for amendment (following disposition of any points of order against such portions) and is not subject to a demand for division of the question in the House or in the Committee of the Whole.”

United States. Cong. House of Representatives. Office of the Clerk. Rules of The House of Representatives of The United States. 110th Cong., 2nd sess.
<http://clerk.house.gov/legislative/rules110/rule21.html>.

(b) Clause 4 – Appropriations on Legislative Bills

“4. A bill or joint resolution carrying an appropriation may not be reported by a committee not having jurisdiction to report appropriations, and an amendment proposing an appropriation shall not be in order during the consideration of a bill or joint resolution reported by a committee not having that jurisdiction. A point of order against an appropriation in such a bill, joint resolution, or amendment thereto may be raised at any time during pendency of that measure for amendment.”

United States. Cong. House of Representatives. Office of the Clerk. Rules of The House of Representatives of The United States. 110th Cong., 2nd sess.
<http://clerk.house.gov/legislative/rules110/rule21.html>.

- i) House rules do not expressly require authorizations; they bar unauthorized appropriations. Under the rules, before the House can consider most appropriations

measures, the purposes for which the money is to be provided have to be authorized in law.

- ii) The rule against unauthorized appropriations applies only to general appropriations bills. According to the precedents of the House, a continuing resolution (providing interim funding for agencies that have not received regular appropriations by the start of the fiscal year) is not deemed to be a general appropriation bill. Hence, unauthorized programs can be (and often are) funded in it.
- iii) A change in existing law is legislation and cannot, under the rules, be made in an appropriations bill.
- iv) The phrase concerning provisions which retrench expenditures is known as the "Holman Rule". This rule was devised in the 1870s. Members have seldom used the Holman Rule in recent decades, relying instead on limitation amendments.
- v) Rescissions in appropriations acts have the same effect as those made in rescission bills enacted pursuant to the Congressional Budget and Impoundment Control Act of 1974, but the procedures for their consideration differ somewhat.
- vi) Clause 4 bars appropriations in authorizing legislation. It is sometimes waived by the House, more likely for permanent than for annual appropriations.

2) Senate

- i) [Senate Rule XVI: Appropriations and Amendments to General Appropriations Bills](#)
 - (a) [Paragraph 2](#)

“2. The Committee on Appropriations shall not report an appropriation bill containing amendments to such bill proposing new or general legislation or any restriction on the expenditure of the funds appropriated which proposes a limitation not authorized by law if such restriction is to take effect or cease to be effective upon the happening of a contingency, and if an appropriation bill is reported to the Senate containing amendments to such bill proposing new or general legislation or any such restriction, a point of order may be made against the bill, and if the point is sustained, the bill shall be recommitted to the Committee on Appropriations.”

United States. Cong. Senate. Committee on Rules & Administration.
Standing Rules of the Senate. 110th Cong., 2nd sess.
<http://rules.senate.gov/senaterules/rule16.php>.

(a) Paragraph 4

“4. On a point of order made by any Senator, no amendment offered by any other Senator which proposes general legislation shall be received to any general appropriation bill, nor shall any amendment not germane or relevant to the subject matter contained in the bill be received; nor shall any amendment to any item or clause of such bill be received which does not directly relate thereto; nor shall any restriction on the expenditure of the funds appropriated which proposes a limitation not authorized by law be received if such restriction is to take effect or cease to be effective upon the happening of a contingency; and all questions of relevancy of amendments under this rule, when raised, shall be submitted to the Senate and be decided without debate; and any such amendment or restriction to a general appropriation bill may be laid on the table without prejudice to the bill.”

United States. Cong. Senate. Committee on Rules & Administration.
Standing Rules of the Senate. 110th Cong., 2nd sess.
<http://rules.senate.gov/senaterules/rule16.php>.

- ii) The Senate, unlike the House, does not bar appropriations in authorizing legislation. Rule XVI bars unauthorized appropriations and legislation in appropriations bills but the practical effect of these prohibitions is limited by a number of exceptions.
- iii) The word "amendments" in this rule refers to any change made by the Senate (in committee or on the floor) to a House passed appropriations bill.
- iv) Absolute limitations are permitted, but not limitations whose effect depends on some contingency.
- v) The Senate can insert legislation into an appropriations bill if it is deemed germane to the House passed measure.
- vi) When a point of order is made that a provision is legislation in an appropriations bill, the Senate usually votes on whether the matter is germane.
- vii) If the Senate votes that the provision is germane, the point of order falls.

B. Appropriations Rules and Precedents

1) House of Representatives

- i) House Rule XIII: Calendars and Committee Reports

- (a) The Appropriations Committee is one of five House committees that have "leave to report at any time" on certain matters specified in clause 5 of House Rule XIII, "Privileged reports, generally." The ability to report at any time means that these committees can file their reports as privileged matters for consideration (even on measures not previously introduced and referred to the committee, and to call the measures up without the need for a special rule to give them privileged status (subject to the report layover limits specified in House rules)).
- (b) Under clause 5(a)(1) of House rule XIII, the privileged reporting status of the Appropriations Committee applies to "general appropriations bills" (meaning any of the 12 regular appropriations bills as well as any supplemental appropriations bills which are other than single purpose bills), and "joint resolutions continuing appropriations for a fiscal year after September 15 in the preceding fiscal year."
- (c) Such privileged reports must be filed from the floor of the House as opposed to non-privileged reports which are simply dropped in the hopper, while the House is in session (or by special leave or operation of a unanimous consent request to file the report when the House is not in session).

2) Senate

i) Senate Rule XVI: Appropriations and Amendments to General Appropriations Bills

(a) Paragraph 1

“1. On a point of order made by any Senator, no amendments shall be received to any general appropriation bill the effect of which will be to increase an appropriation already contained in the bill, or to add a new item of appropriation, unless it be made to carry out the provisions of some existing law, or treaty stipulation, or act or resolution previously passed by the Senate during that session; or unless the same be moved by direction of the Committee on Appropriations or of a committee of the Senate having legislative jurisdiction of the subject matter, or proposed in pursuance of an estimate submitted in accordance with law.”

United States. Cong. Senate. Committee on Rules & Administration. Standing Rules of the Senate. 110th Cong., 2nd sess.
<http://rules.senate.gov/senaterules/rule16.php>.

- (1) Paragraph 1 of Senate Rule XVI bars unauthorized appropriations, but the effect of this rule is limited by a number of exceptions. The Senate may

increase or add appropriations for an existing program or for one recommended in the President's Budget, for newly passed legislation, or upon the recommendation of the Appropriations Committee or any committee having legislative jurisdiction over the matter.

ii) Senate Precedents

- (a) An amendment legislative in character is in order on a general appropriation bill if it is germane to the language as passed by the House.
- (b) If the House of Representatives opens the door by incorporating legislation in a general appropriation bill, the Senate has an inherent right to amend such proposed legislation, "and to perfect that language," notwithstanding its rules.
- (c) When a point of order is made in the Senate that a provision is legislation in an appropriations bill, the Senate usually votes on whether the provision is germane to the House passed bill. If the matter is deemed to be germane, it may be considered, even if it is legislation.
- (d) The final paragraph explains why the Senate may consider germane legislation in an appropriation bill. If it were barred from considering germane legislation, the Senate would not be able to amend legislation in a House passed appropriation. Once the House has "opened the door" by legislating in an appropriations bill, the Senate may do so as well. Using the test of germaneness, the Senate has legislated even when the House provision had no legislation.

SECTION 7 – POLICIES GOVERNING RELEASE OF BUDGETARY INFORMATION

- A. Policies on the release of budgetary information are contained in [Circular A-11 \(Section 22\)](#). The Department of Commerce follows these guidelines in all communications regarding budgetary information.
- 1) [Section 22.2](#): Deals with agency communications with congressional committees.
 - 2) [Section 22.3](#): Discusses required clearances of budgetary material prior to release to the Congress or the media. Included in this section are guidelines regarding OMB clearance of inserts for the record and responses to questions from Members of Congress.
 - 3) [Section 22.4](#): Discusses restrictions on proposing changes to the President's Budget.
 - 4) [Section 22.5](#): Discusses information available to the public.
 - 5) The text of Section 22 is summarized below.
- B. Congressional Testimony and Communications
- 1) The nature and amounts of the President's decisions are confidential and will not be released until the budget is transmitted formally to Congress. The executive branch communications that have led to the budget will not be disclosed either by the agencies or by those who have prepared the budget. In addition, outyear discretionary data is considered pre-decisional and should not be released without prior OMB approval.
 - 2) In furnishing information on appropriations and budgetary matters, representatives of agencies should be aware of the limitations on such communications, including the limitation that:
 - 3) "...An officer or employee of an agency may submit to Congress or a committee of Congress an appropriations estimate or request, a request for an increase in that estimate or request, or a recommendation on meeting the financial needs of the Government only when requested by either House of Congress." (31 U.S.C. 1108(e)).
 - 4) Furthermore, agency representatives should be aware of restrictions upon communications to influence legislation that are not conducted through proper channels (18 U.S.C. 1913).
 - 5) Following formal transmittal of the budget, an amendment, or a supplemental appropriation request, agency representatives will be guided by the following policies pertaining to budgetary matters when testifying before any congressional committee or communicating with Members of Congress. Witnesses will give frank and complete answers to all questions.

- 6) Witnesses will avoid volunteering personal opinions that reflect positions inconsistent with the program or appropriation request the President has transmitted to the Congress.
- 7) If statutory provisions exist for the direct submission of agency budget estimates to the Congress, OMB may provide agencies with additional materials supporting the President's Budget request to be forwarded by the agency to the Congress with agency testimony. Witnesses for such agencies will be prepared to explain the agency submission, the request in the President's Budget, and any justification material.
- 8) In responding to specific questions on program and appropriations requests, witnesses will refrain from providing plans for the use of appropriations that exceed the President's request. Witnesses typically bear responsibility for the conduct of one or a few programs, whereas the President must weigh carefully all of the needs of the Federal government while keeping in mind the revenues available to meet such needs. Where appropriate, witnesses should call attention to this difference in scope of responsibility in explaining why it is not proper for them to support efforts to raise appropriations above the amounts requested by the President.
- 9) Where there is a request for a written submission that will involve a statement of opinion relating to program and appropriations requests, witnesses will arrange for a reply to be provided through the head of the agency.
- 10) Agency representatives should be careful that their communications are not perceived to be an "appropriations estimate or request...or an increase in that estimate or request..." (31 U.S.C. 1108). Agency representatives are expected to support the President's budgetary decisions and seek adjustments to those decisions through established procedures for budget amendments or supplemental appropriations requests if the agency head determines such action to be necessary.

C. Clearance of Materials for the Congress and the Media

- 1) Policy consistency is essential among the formal documents of the President's Budget, and the various budget-related materials prepared by the agencies for the Congress and the media. Clearance of these agency materials by OMB helps achieve that consistency.
- 2) Agencies will submit to OMB, for clearance prior to transmittal to congressional committees or individual Members of Congress or their staff, all proposed budget justification materials. Agencies also will submit to OMB for clearance budget-related oversight materials.
- 3) This information, including initial budget justifications; testimony before and letters to congressional committees; written responses to congressional inquiries or other materials for the record; materials responding to committee and subcommittee reporting

requirements; capability statements; appeal letters; reprogramming requests; related cost information; and budget-related materials provided to other congressional committees, in response to their oversight activities, will be provided to OMB in such a manner as to allow OMB five working days to review the material. In exceptional circumstances where the response time to Congress is very short, agencies may request oral clearance of these materials or make other arrangements with their OMB representatives.

- 4) Agencies will provide OMB representatives, immediately after the transmittal of the budget, with a schedule of anticipated congressional reviews of budget materials that require agency oral and written participation. These schedules will be revised whenever appropriate. Schedules will also be submitted to OMB for anticipated reviews of subsequent transmittals of budget requests.
- 5) Agencies will also submit to OMB for clearance their proposed press releases relating to the President's Budget. Any questions about coverage of this section, timing, or scope of review should be discussed with the OMB representatives who are normally consulted on budget-related matters.

D. Clearance of Changes in the President's Budget

- 1) The prohibition against submissions by agencies to the Congress of estimates or requests for appropriations without the approval of the President or request of either House of Congress applies to changes in appropriations language and dollar amounts recommended in the budget. When an agency desires to propose such a change, a written request will be presented to OMB in accordance with [section 22.4 of Circular A-11](#).
- 2) When it is possible to reduce the amount of an appropriations request before action has been taken by the appropriations committee of either house, the head of the agency will inform OMB promptly. If significant changes are planned in the amount requested or the conditions pertaining to a program of the agency without changing proposed appropriations language contained in the budget on which the Congress has been requested to act, the agency will inform OMB. OMB will advise the agency as to whether or not a formal transmittal of the change will be made.
- 3) Any decision by an agency head to request restoration of a reduction should be carefully considered, taking into account the reasons for the reduction, the circumstances under which it was made, its significance from the standpoint of the President's program, and other relevant factors.

E. Information Available to the Public

- 1) An agency may disclose budgetary records of that agency, if otherwise appropriate, upon a request for such records pursuant to the Freedom of Information Act (FOIA) following the end of the fiscal year to which such information pertains. Although it is not possible

to determine merely by the generic category or records whether an agency would be authorized to withhold records requested under the FOIA in every instance, most budgetary documents of an agency that are subject to the FOIA should be exempt from mandatory release pursuant to the provisions of 5 U.S.C. 552(b)(3).

- 2) An agency should not release such records prior to the expiration of the fiscal year to which such records pertain. Depending upon the nature of the record requested, other exemptions to the FOIA may apply, or the release of records within 5 U.S.C. 552(b)(3) may be inappropriate even after the end of the fiscal year to which the records pertain. Agency heads will be held responsible for determining the propriety of release of records under the FOIA pertaining to budgetary matters.
- 3) Certain agencies headed by a collegial body may be required to hold their meetings open to public observation unless the agency properly determines that the matter to be discussed warrants the closing of those meetings for reasons enumerated in the Government in the Sunshine Act (Public Law 94-409). Some meetings covered by that Act may pertain to budgetary information discussed in this Circular. Although, as with the FOIA, it is not possible to determine merely by the generic category of such information whether such an agency would be authorized to close a particular meeting covered by the Government in the Sunshine Act, the premature disclosure of budgetary information may "be likely to significantly frustrate implementation of proposed agency action" (5 U.S.C. 552(c)(9)(B)). Furthermore, other exemptions from the open meeting requirements of the Act may apply. Such agencies will be held responsible for the propriety of determinations that would lead to the disclosure of this budgetary information.

VOLUME III – BUDGET FORMULATION

CHAPTER 1 - INTRODUCTION

TABLE OF CONTENTS

	Page Number
Section 8 Purpose and Definition of Budget Formulation	<u>III (1) - 1</u>
Section 9 Framework of Budget Formulation	<u>III (1) - 2</u>
Departmental Responsibilities and Requirements	<u>III (1) - 2</u>
OMB Requirements	<u>III (1) - 3</u>
Congressional Requirements	<u>III (1) - 3</u>
Section 10 Standards of Department of Commerce Budget Formulation	<u>III (1) - 5</u>
General Concept of Formulation	<u>III (1) - 5</u>
Program Budgeting	<u>III (1) - 5</u>
Planning	<u>III (1) - 6</u>
Planning, Budgeting, Acquisition, and Management of Capital Assets and Reporting Requirements for Major Information Technology Investments	<u>III (1) - 6</u>
Section 11 Criteria for a Good Budget Justification	<u>III (1) - 8</u>
Conciseness and Specificity	<u>III (1) - 8</u>
Relevancy	<u>III (1) - 8</u>
Alternatives	<u>III (1) - 9</u>
Managerial Review	<u>III (1) - 9</u>
Intangible Factors	<u>III (1) - 10</u>
Section 12 Amendments and Supplementals	<u>III (1) - 11</u>
Section 13 Nature of Commitments Made in Budget Formulation	<u>III (1) - 12</u>
General Information	<u>III (1) - 12</u>
The Executive Office of the President	<u>III (1) - 13</u>
The Department	<u>III (1) - 13</u>
The Operating Units	<u>III (1) - 14</u>

	Page Number
Section 14 Information Support	<u>III (1) - 16</u>
Information Expectations of Budget Officials	<u>III (1) - 16</u>
Legal Requirements Regarding Contents of Budget Operating Unit Programs	<u>III (1) - 17</u>

SECTION 8 – PURPOSE AND DEFINITION OF BUDGET FORMULATION

A. Purpose

- 1) The purpose of this section is to outline the general information and policies applicable to budget formulation. An overview of policies, procedures and legislation relating to the Federal budgeting and financing process is covered in Volume II of this *Handbook*.

B. Definition of Budget Formulation

- 1) Budget formulation consists of all steps, actions, and documentation in the budget process that are required or that properly should be taken in advance of the enactment by the Congress of an appropriation bill.
- 2) Budget formulation implicitly includes program performance analysis that is conducted to determine where an activity stands at present, where it is going (i.e., what can we reasonably expect to happen with meeting stated goals and objectives) and what alternative approaches could be taken that could better achieve objectives. Within the Department of Commerce, major budget formulation activities are conducted three times a year: in the spring, operating units prepare and submit budget and planning requests to the Secretary; in the summer, the units prepare and submit budget and planning requests through the Secretary to OMB (based on the Secretary's allowances); and in the winter, the units prepare and submit the President's Budget to the Congress and the Annual Performance Plan through the Secretary, based on OMB's passback allowances.
- 3) The basic objectives of the formulation process are:
 - i) to provide a satisfactory information basis for use by program managers, the Secretary, the President and the Congress in making decisions about the allocation of the Nation's resources toward fulfillment of the Nation's goals and needs; and
 - ii) to ensure that each responsible party in the process has a satisfactory opportunity to analyze the information needed to make decisions.

- ### C. Decision-makers at all levels must rely on staff for analysis and summary of the information developed in the budget formulation process. Therefore, budget formulation personnel should make every effort to provide staff with information equivalent to that needed by the decision-makers themselves. Justification documents summarize detailed information used in developing budget requests. Budget personnel should be able to furnish reviewers and decision-makers with detailed backup material when requested.

SECTION 9 – FRAMEWORK OF BUDGET FORMULATION

- A. The basic framework of budget formulation is established by law. The primary elements of this basic framework are:
- 1) authorization bills, which may be submitted by the Administration or initiated by the Congress;
 - 2) annual budget and planning requests which are submitted to OMB by Department heads;
 - 3) the President's annual budget, which is submitted to the Congress by the first Monday in February;
 - 4) supplemental or deficiency requests, which may be submitted to the Congress by the President under certain conditions specified by law; and
- 1) action by the Congress in considering and approving authorization and appropriation bills.
- B. The operating units in the Department submit their budget proposals and performance plans to the Office of Budget in May of each year. From May through August, Department-level staff review and evaluate requests and plans, provide decision-makers with information required to make budget and planning decisions, and assemble a Department-wide budget request and performance plan that supports Departmental and Administration goals. This period includes briefings to the Secretary and Deputy Secretary followed by Secretarial decisions on priority budget increases to be sought from OMB. The Department's budget request and associated performance plan are due to OMB in early September.
- C. Departmental Responsibilities and Requirements
- 1) Departmental responsibilities regarding budget formulation are vested in the Secretary. The Secretary is legally responsible for the content of all budget requests made by the Department. Delegations of the Secretary's responsibilities have been made to:
 - i) the General Counsel in the case of authorizing legislation; and
 - ii) the Chief Financial Officer/Assistant Secretary for Administration (hereafter, "Assistant Secretary") in the case of budget estimates and relationships with the appropriations committees. (The Office of Budget acts for the Assistant Secretary on non-policy aspects of such matters). The Assistant Secretary's responsibilities include:
 - (a) maintaining a program structure that is linked to the Department's financial management system;

- (b) identifying and studying program and budget problems requiring resolution;
- (c) reviewing budget proposals to assist the Secretary in making budgetary decisions;
- (d) preparing and submitting approved budget and planning proposals to OMB;
- (e) preparing for OMB roll-out and the appeals of OMB decisions on the budget;
- (f) preparing and submitting budgets, justifications, and performance plans to the Congress; and
- (g) coordinating the congressional hearings process.

D. OMB Requirements

- 1) OMB requirements regarding the annual budget and performance plan are covered in [OMB Circular A-11](#) and in allowance and guidance letters. This *Handbook* supplements [OMB Circular A-11](#) and outlines Departmental responsibilities for meeting OMB requirements on preparing and submitting annual budgets and performance plans. [OMB Circular A-11](#) is reissued on an annual basis in the summer. The Department's September request to OMB conforms to the guidelines included in the latest issue of [OMB Circular A-11](#).
- 2) OMB requirements regarding supplemental, deficiency, and revised estimates are also covered in [OMB Circular A-11](#) and in policy letters issued on an as needed basis. This *Handbook* also provides instructions for preparing such estimates.

E. Congressional Requirements

- 1) Although the Congress makes exceptions from time to time, it has established two basic requirements regarding consideration of budgets:
 - i) a formal request must be transmitted by the President; and
 - ii) authorizing legislation must exist.
- 2) Agencies are legally prohibited from transmitting budget estimates or requests for appropriations directly to the Congress unless the Congress has specifically requested them to do so. Requests not supported by authorizing legislation are subject to a point of order on the floor of the House of Representatives. If a point of order is raised, unanimous consent is required in order to consider an appropriation for an unauthorized

program. Appropriations committees are sometimes reluctant to report favorably upon items that lack authorization.

- 3) Specific requirements for budget justifications are left largely up to each appropriations subcommittee. All subcommittees require certain Departmental summary material, formal printed justifications for each appropriation, and formal hearings. Usually the summary material and the hearings follow a consistent format within a subcommittee, but the format and content of justifications may vary considerably from agency to agency. Details of requirements are worked out with subcommittee staff and agency budget officers. Section 30 of this *Handbook* outlines procedures and prescribes Departmental responsibilities for preparing and submitting justifications to the Congress. Section 48 describes requirements for the appropriations hearing process.

SECTION 10 – STANDARDS OF DEPARTMENT OF COMMERCE BUDGET FORMULATION

A. General Concept of Formulation

- 1) The development of the Department's budget request begins with the most recent President's Budget request, referred to as the 20CY budget that has been submitted to the Hill. To the 20CY amount, adjustments-to-base are added to arrive at a base or current services level that would continue operations at the 20CY level, adjusted for inflationary and other uncontrollable cost changes. Program changes are added to the base level to arrive at a total budget request.

B. Program Budgeting

- 1) The Department's budgets are formulated on a program basis: the estimates are organized and presented in a structure that places emphasis on and describes the objectives, outputs and work to be accomplished with the proposed resources.
- 2) Program budgeting within the Department allows for organizations responsible for administering the budget to be identified in the budget itself. Further, it is Departmental policy that:
 - i) where more than one primary operating unit participates in an activity, each unit will be identified in the program's structure as a subactivity; and
 - ii) line items may not cut across primary operating units and must be directly identified within each unit. Thus, the major organizational elements of the Department can be identified in the budget justifications.
- 3) Generally, budgets are formulated by each primary operating unit on all levels of the program classification structure (activity, subactivity and line item) and identified as such in budget justifications.
- 4) Organizational units below the line item level need not be presented in formal budget estimates. However, each operating unit should develop its program budget data by object classification of expenditure so it can demonstrate the basis for arriving at the estimate.
- 5) In addition to the structural aspects, program budgeting requires that supporting data and justifications are presented in such a way that cost-utility analyses and alternative courses of action may be conducted.

C. Planning

- 1) For the Secretarial and OMB requests, Departmental requirements for projections of budget authority and outlays for each activity are for four years beyond the budget year and are prescribed in the sections of this chapter relating to preparation of Secretarial, OMB and congressional submissions.
- 2) The Government Performance and Results Act (GPRA) requires that all Federal agencies publish annual program performance reports and annual performance plans. These requirements are outlined in [OMB Circular A-11](#). This *Handbook* provides detailed guidance on what operating units must provide for the Office of Budget to assemble a Department-wide performance plan or report.

D. Planning, Budgeting, Acquisition, and Management of Capital Assets and Reporting Requirements for Major Information Technology Investments

- 1) A Capital Asset Plan and Business Case Summary (Exhibit 300) are required for all major investments in accordance with [OMB Circular A-11](#) and supplemental guidance provided in this *Handbook*. The goal is to assist agencies in more effectively managing their portfolios of capital assets to ensure public resources are wisely invested. Capital assets include land, structures, equipment and intellectual property such as software. Acquisition plans for these projects should support the mission statements, long-term goals and objectives, and annual performance plans developed under GRPA. [Section 300 of OMB Circular A-11](#) and [OMB's Capital Programming Guide \(\[http://www.whitehouse.gov/omb/circulars/a11/current_year/part7.pdf\]\(http://www.whitehouse.gov/omb/circulars/a11/current_year/part7.pdf\)\)](#) are good references for defining what constitutes a capital project and for guidance on planning, budgeting, acquiring, and managing such a project.
- 2) For purposes of submitting operating unit budgets to the Office of Budget, an Exhibit 300 is required for each new acquisition with a total (full funding) cost of more than \$30 million or for a capital project that has been previously identified as such by the Department's CFO and the Office of Budget. The exhibit should be structured to be responsive to former OMB Director Franklin Raines' Rules on Federal Information Systems Investments (commonly known as Raines' Rules) and to address the costs of these assets in useful segments. Baseline costs, schedule and performance goals, which are to be documented on an Exhibit 300, are the basis for reporting to the Congress on variances of 10% or more (in cost, schedule or performance) as required by the Federal Acquisition Streamlining Act of 1994.
- 3) An Exhibit 300 should show the full-funding amount for each project with each project broken out by useful segment, such as by planning phases or useful end items. Planning phases could identify the project by planning, full acquisition, or maintenance. Useful end items could include individual buildings. The full funding policy requires that each useful segment of a capital project be fully-funded with regular annual appropriations or

advance appropriations. A useful end item is defined as a project output that justifies the project's costs. For example, one complete satellite with sensors is a useful end item.

- 4) An Exhibit 300 should be updated and resubmitted as appropriate for each phase of the budget process. Care should be taken to adjust budget amounts as well as related milestones and performance goals to reflect the adjusted level of budgetary resources.
- 5) Advance procurement of up to 20% of full funding has been permitted by the Congress. This 20% can be spread over one or two years. Incremental funding is only permitted for certain research and development projects or where specific authority is provided by the Congress.
- 6) The Office of the Chief Information Officer (OCIO) is the lead organization for providing guidance on information technology reporting requirements. The CIO chairs the Commerce Information Technology Review Board (CITRB) which has a mandate to evaluate all proposed large information technology initiatives. Major new IT initiatives will not be eligible for funding consideration until they have been evaluated by the CITRB.
- 7) To ensure integration with the budget process, the Director of Budget serves on the CITRB. For the secretarial and OMB budget submissions, the Office of Budget requires an Exhibit 300 only for major capital projects and will provide specific guidance to the operating units identifying those projects. The OCIO, however, may additionally require the exhibit to meet their reporting and review requirements.
- 8) The information reported on an Exhibit 300 for financial and information systems projects is aggregated in Exhibit 52 for financial management activities and on Exhibit 53 for all information systems. These exhibits are submitted by the operating units to the Department. The Department-wide aggregated versions of Exhibit 52 and Exhibit 53 are submitted to OMB in September.

SECTION 11 – CRITERIA FOR A GOOD BUDGET JUSTIFICATION

- A. A good justification concisely and specifically provides a summary of all relevant information regarding the budget and planning proposal. Program managers must be able, upon request, to provide detailed information supporting the summary information contained in the justification. The appropriate format and content for a justification varies depending upon the nature of the budget proposal, its urgency and need, and the stage in the budget process. A good justification minimizes technical jargon not readily used by budget examiners or other policy makers outside of the specific technical community.
- B. The criteria stated below covers factors of conciseness, specificity and relevancy, and provide guidelines for dealing with such factors as alternatives and intangibles. These criteria are consistent with those factors outlined in [OMB Circular A-11](#).
- C. Conciseness and Specificity
- 1) For a justification to meet standards of conciseness and specificity, it must:
 - i) be written in language that can be clearly understood by reviewers, not all of whom are familiar with the program's technical content;
 - ii) be consistently organized with respect to its program and budget elements, financial tables and supporting data; and
 - iii) be prepared with regard to the needs, desires and time constraints of reviewers.
- D. Relevancy
- 1) For a justification to meet standards of relevancy, it must:
 - i) describe the magnitude of the need for the proposal, including the economic, social, programmatic, and environmental characteristics of the problem;
 - ii) describe the current situation, what public and private actions are now being conducted to meet the need, and the reasons why additional Federal funding and action is required;
 - iii) reference adequately existing and proposed statutory authority relating to the problem;
 - iv) state the specific objectives of the proposal, quantified wherever practicable, in terms of the performance level in the budget year and future years;
 - v) discuss outyear resources, expected benefits, and program performance;

- vi) describe how the proposal was developed, including how resource estimates, outputs, unit costs and productivity were calculated;
- vii) relate the proposal to other programs already in existence or proposed and how programs will be coordinated; and
- viii) identify all constraints and issues which may arise in connection with the review and approval of the proposal, including political considerations, availability of resources, and other organizational, institutional, and procedural factors.

E. Alternatives

- 1) Budget planners are expected to thoroughly analyze the impact of alternative objectives and programs through program performance studies, cost-benefit analyses, cost-effectiveness, systems analyses, operations research and the like. The Department's long-range goals and objectives should be the yardstick by which alternatives are compared.
- 2) The number of alternatives given serious consideration diminishes as proposals move forward in the budget formulation process. Program managers may well want a detailed review of all alternatives presented for their consideration. Secretarial officers frequently require that major alternative proposals be submitted with the pros and cons of various options analyzed.
- 3) For OMB review, agencies are expected to have made a decision as to the best course of action conforming to the President's policies and budget targets; however, alternatives are sometimes submitted by the Department. Alternative budget proposals are generally not presented to the Congress unless specifically requested by the Congress. This policy eliminates confusion as to what is being requested by the agency. However, it must be kept in mind that a major purpose of the congressional review is to judge each proposal in relation to other public needs and alternatives. Therefore, the subcommittee can be expected to consider alternatives. In anticipation of that interest, justifications may include a discussion of alternatives considered and rejected by the operating unit. The thrust of the justification must be on presenting the reasons why the President's Budget proposal was chosen and why it should be approved, rather than simply on presenting alternatives for consideration. If the issues are not fully covered in the justification, witnesses should be prepared to demonstrate that other feasible alternative courses of action and their consequences have been considered, including the effects of no action.

F. Managerial Review

- 1) There are many points during the budget process where managerial participation is instrumental in creating a relevant and effective budget request; e.g., interpreting or elaborating early guidance, discussing possible changes or alternatives to be considered,

communicating priorities that should govern the structuring of justifications. Managers at the operating unit level are expected to perform this managerial review during the formulation of the budget and planning requests made to the Department.

G. Intangible Factors

- 1) A good justification convinces the reviewer that in addition to providing all relevant information regarding the need for the proposal, the agency has the ability to produce the projected results in a timely manner. Part of the information needed to justify a proposal may be a demonstration of the competence and reliability of program managers, and the track record of the organizations involved.

SECTION 12 – AMENDMENTS AND SUPPLEMENTALS

- A. Information and policies regarding amendments to the budget and supplemental budget proposals are covered in detail in [OMB Circular A-11](#) and in chapter 6 of this *Handbook*. The standards and criteria for formulation and justification of budgets outlined above apply equally to amendments and supplementals. However, it is OMB policy (and also a matter expected by the Appropriations Committees) that the regular annual estimates will anticipate all requirements in the budget year for continuing activities and those for which authorizing legislation will be sought by the Administration. Therefore, supplemental estimates or upward amendment of regular estimates are to be considered later only if due to: (a) circumstances not known at the time the budget was submitted; or (b) congressional action not requested by the Administration. Justification for amendments and supplementals should explain:
- 1) why the change was omitted from the regular estimates; and
 - 2) why it is considered essential that the proposal be acted upon as an amendment or supplemental instead of waiting for the next regular budget request.
- B. It is sometimes preferable to both the President and the Congress to defer proposals that can be anticipated, but about which there are outstanding questions regarding the possibility of changes in authorization, funding requirements, or the time period in which funds will be needed. If possible supplemental needs are known, they should be brought to OMB's attention when Departmental requests are submitted in September. The annual budget often mentions specific possibilities for later transmission. If not mentioned in the budget, agencies should not advise the Congress of such possibilities without OMB clearance. The only exception to this rule is if a witness is specifically asked about potential supplemental requirements in a hearing. Then, a witness may appropriately mention the fact that a supplemental is being considered but should not state the amount that may be needed unless the information is explicitly requested. See also section 7 of this *Handbook*, "Policies Governing the Release of Budgetary Information".

SECTION 13 – NATURE OF COMMITMENTS MADE IN BUDGET FORMULATION

A. General Information

- 1) Commitments are made at each step of the budget formulation process and involve legal, policy and administrative considerations. Legal considerations are expressed in authorization and appropriation acts, and are subject to interpretation by the Comptroller General. Legal constraints are usually stated in very general terms as to program and budget content, and may identify no more than the agency, purpose and dollar total. Therefore, there may be broad discretion in the budget, both in the formal justifications and testimony of witnesses at hearings. It is a basic principle of Federal budgeting that the agency commits to do exactly what is proposed, assuming the proposal is approved as submitted. However, this is subject to qualifications stated in justifications or testimony.
- 2) The Congress establishes the basic nature of the legal commitments involved by enactment of authorization and appropriation bills. Authorization acts may provide for programs which are entirely non-discretionary (certain elements of the Social Security system), for programs which are entirely discretionary (most elements of the Department's programs), or for programs which have both non-discretionary and discretionary elements (the patent system and periodic censuses which must be provided for under the Constitution). However, authorization acts may have a large element of discretion in the size and content of the program. Authorization acts usually set limits on amounts that may be spent for particular purposes, but leave to the terms of appropriation acts, Executive Branch policy and administrative discretion, how much, if any, will be spent. On the other hand, appropriation acts often contain limitations not in the budget proposal.
- 3) The Congress expects the budget to be executed as justified, except for changes it makes in appropriation acts and Committee reports, changes in requirements, or other developments after final congressional action, which can be satisfactorily explained to them in reprogramming requests. (See also section 57 of this *Handbook* regarding reprogramming requirements.)
- 4) The Congress is technically not committed by anything except formal floor action; however, Committee Reports, expressions of intent and clarifications made or accepted by Committee chairmen in floor debate, and formal letters from Committee chairmen, are considered as congressional expectations of commitments to be honored. The Department submits formal responses to each directive contained in the current year appropriation documents as soon as possible after the budget year request is submitted. Section 59 of this *Handbook* provides guidance on preparing responses to congressional directives. Expressions by individual members of Congress at hearings, in floor debate, or in correspondence are considered as their individual expressions and not those of the Congress. However, such expressions should be given due consideration in budget

formulation consistent with Administration policy and formal expressions on the part of the Congress.

B. The Executive Office of the President

- 1) The President establishes the basis for budget formulation commitments on the part of the Executive Branch in the State of the Union Message, formal budget documents, Executive Orders and Proclamations and other documents, including legislative proposals, supplementals and amendments to the budget. Program and budget plans, estimates and justifications and all commitments, testimony and other presentations on the budget must conform to these documents and statements until they are formally revoked or amended.
- 2) OMB budget decisions are communicated in a "passback" which includes the rationale for the decisions and an indication of what latitude exists for further distribution of the allowances. Acceptance of the allowance without qualification implies a commitment by the Department to accept the rationale and the latitude for distribution of allowances as communicated. It is incumbent upon program and budget officials to take steps to assure that the rationale for the allowances is fully understood and acceptable to the Department or included in the appeal before the allowances are accepted.
- 3) OMB monitors budget commitments by:
 - i) reviewing proposed agency positions in appealing or concurring in congressional modifications to the budget;
 - ii) reviewing agency financial plans in support of apportionment requests;
 - iii) reviewing reports of agency program and financial performance; and
 - iv) conducting studies and inquiries.

C. The Department

- 1) It is the Department's policy that:
 - i) all representations in the budget transmittals by the President, the estimates, justifications, and performance plans submitted by the Department, and testimony of Departmental witnesses shall be faithfully adhered to; and
 - ii) all expressions of congressional intent stated in Committee reports or in discussion on the floor of the Congress regarding the objects or purposes for which funds are appropriated shall be adhered to unless otherwise directed by OMB and/or the

Secretary. (Refer to Volume IV of this *Handbook* for guidance on preparing responses to congressional directives).

- 2) Program managers monitor budget commitments on behalf of the Secretary. The Secretary has legal responsibility for budget matters of the Department. However, program managers and agency heads have specific responsibilities for, and work jointly, with Departmental staff officials in developing and monitoring the commitments on the part of the Department. These are communicated by:
 - i) policies and guidelines from the Secretary prior to preparing requests to the Department;
 - ii) major program and budget studies;
 - iii) Secretarial allowance documents;
 - iv) budget transmittals and summary and highlight statements; and
 - v) testimonies at hearings.
- 3) Program managers and heads of operating units participate in developing the materials listed above. The Assistant Secretary for Administration and the Director of Budget have responsibility for ensuring that the Secretary's policies, guidelines and decisions are promptly and accurately communicated within the Department and that final documents and testimony accurately reflect both the Department's and the Administration's position.
- 4) The Office of Budget also monitors budget commitments on behalf of the Department through:
 - i) reviewing justifications, supporting data, financial plans and reports, reprogramming proposals, and performance plans for conformance to Departmental policy;
 - ii) providing advice to Departmental and operating unit officials; and
 - iii) providing liaison with OMB and Appropriations Committee staff on questions, interpretations and resolution of problems.

D. The Operating Units

- 1) In addition to participating in developing Departmental commitments in the justifications, performance plans, and hearings, the heads of operating units have direct responsibility for the execution of commitments. It is incumbent upon them to ensure that:

- i) policies and guidelines are communicated to their subordinates; and
 - ii) budget transmittals, performance plans, highlight documents, and justifications clearly reflect the intent of operating unit management.
- 2) Program managers and operating level budget staff are usually responsible for conducting the studies and developing proposals that form the basic commitments underlying the budget formulation process. In some instances, the entire process depends on their first-hand knowledge and professional competence regarding what can be accomplished at various resource levels. Further, program managers have the ultimate responsibility for carrying out the commitments made. It is incumbent upon these officials, therefore, to:
- i) study thoroughly and competently all reasonable alternatives for meeting program needs; and
 - ii) present accurately and fully to the head of the operating unit the results of their studies, particularly as to the impact of alternative courses of action.

SECTION 14 – INFORMATION SUPPORT

A. Information Expectations of Budget Officials

- 1) An immense amount of information is required to develop and review the budget for the Department's programs. Although it may not be possible for any single official to read and keep fresh recollection of all required data, officials justifying budgets are expected to know or have readily at hand information on:
 - i) content of budget schedules and justifications;
 - ii) history of prior budget proposals in the program area;
 - iii) authorization acts and their legislative background;
 - iv) background data on the program need or problem, including the history and status of efforts to find solutions;
 - v) details on related Federal programs currently authorized, including their budgets and status; and
 - vi) special studies and investigations recently completed or underway in the program area.

B. Legal Requirements Regarding Contents of Budgets

- 1) 31 U.S.C. 1105 (reprinted in section 4.B.3) prescribes the standardized set of data required to be submitted by the President in the budget request. Each budget must include the following:
 - i) information on activities and functions of the Government;
 - ii) when practicable, information on costs and achievements of Government programs;
 - iii) a reconciliation of the summary information on expenditures with proposed appropriations;
 - iv) estimated expenditures and proposed appropriations for the budget year (BY) through BY+4;
 - v) estimated receipts for BY through BY+4;
 - vi) appropriations, expenditures and receipts for the prior year (PY) and current year (CY);

- vii) balanced statements of the condition of the Treasury at the end of the PY, CY and BY;
 - viii) tables explaining, for each legislative proposal establishing or expanding a Government activity or function, the BY through BY+4 appropriation and expenditure effects; and
 - ix) miscellaneous provisions regarding uncontrollable expenditures, variations in receipts, etc.
- 2) 31 U.S.C. 1106 (see section 4.B.4) prescribes informational requirements for a supplemental summary of budget estimates submitted by the President to the Congress before July 16th. The supplementary summary is commonly referred to as the "Mid-Session Review". It must include:
- i) substantial changes in, or reappraisals of, estimates of expenditures and receipts;
 - ii) substantial obligations imposed upon the budget after its submission;
 - iii) current information on receipts, expenditures, appropriations and the condition of the Treasury;
 - iv) additional fiscal information the President decides is advisable; and
 - v) information on expenditures for authorized and mandatory programs through BY+4.
- 3) The General Accounting Office (GAO) is also required to review and analyze Federal programs and activities and provide assistance to congressional committees in connection with proposed legislation and their review of Federal programs and activities.
- 4) Agency records must be available for examination by OMB and GAO or by appropriations committee investigators for purposes of examining estimates, or other authorized purposes.

C. Operating Unit Programs

- 1) Each operating unit is required to maintain additional program and financial management data not routinely provided to the Department, but expected to be available for special analyses, or as backup information in the justification and review of budgets. Such data should include:
- i) program, budget and accounting data at the program, project and activity level;

- ii) object class detail at the program, project and activity level;
 - iii) worksheets and working papers in support of the budget, containing such information as the details on how its estimates were computed, workload data, cost/benefit analyses, processing methods and the like; and
 - iv) program and budget studies which were developed internally to the operating unit.
- 2) Operating units are also expected to maintain the kinds of additional program, operating and financial data needed for effective internal management. Such information is often required in order to respond to inquiries on how monies already appropriated are being used, and to demonstrate the effectiveness of current funds management. Such information would include, but not be limited to:
- i) identification, location and costs of major facilities and installations;
 - ii) description of internal organization and processing structure;
 - iii) recent experience and status of output and performance with respect to quality, time schedules, backlogs and the like; and
 - iv) detailed knowledge of inquiries and investigations, public issues and criticisms, and other such matters including impending problems and issues about which an effective program manager might expect to be concerned.

VOLUME III – BUDGET FORMULATION

CHAPTER 2 - TABLE OF EXHIBITS REQUIRED FOR EACH BUDGET SUBMISSION

<u>Exhibit No.</u>	<u>Exhibit Name</u>	<u>SUBMISSIONS</u>		
		<u>Secretarial</u>	<u>OMB</u>	<u>Congressional</u>
1	Table of Contents	Y	Y	Y
2	Organization Chart	Y	Y	Y
3	Executive Summary	Y	Y	Y
3a	Summary of Goals, Objectives and Performance Measures	Y	Y	Y
4	Priority Ranking of Changes*	Y	Y	N/R
5	Summary of Resource Requirements: Direct Obligations	Y	Y	Y
6	Summary of Reimbursable Obligations*	Y	Y	Back-up
7	Summary of Financing	Y	Y	Y
8	Adjustments-to-Base	Y	Y	Y
9	Justification of Adjustments to Base	Y	Y	Y
10	Program and Performance: Direct Obligations	Y	Y	Y
11	Program and Performance: Reimbursable Obligations*	Deleted	Deleted	N/R
12	Justification of Program and Performance	Y	Y	Y
13	Increases/Decreases/Changes for 20BY*	Y	Y	Y
14	Program Change Personnel Detail *	Y	Y	Y
15	Program Change Detail by Object Class*	Y	Y	Y
16	Summary of Requirements by Object Class	Y	Y	Y
17	Detailed Requirements by Object Class	Y	Y	Y
18	Activity/Subactivity Change Crosswalk - Part 1 (CY)*	Y	Y	Y
19	Activity/Subactivity Change Crosswalk - Part 2 (BY)*	Y	Y	Y
20	Summary of Outyear Changes Requested	Y	Y	N/R
21	Outyear Bridge Table	Deleted	Deleted	N/R
22	Outlay Analysis Table	Y	Y	Back-up
23	Summary of Information Technology Resources	Y	Y	Back-up

Exhibit No.	Exhibit Name	SUBMISSIONS		
		Secretarial	OMB	Congressional
26	Schedule of Permanent Positions	N/R	N/R	Deleted
28	Data on Personnel	Deleted	Deleted	Deleted
29	Appropriations Requiring Authorizing Legislation	Deleted	Deleted	Deleted
30	Summary of Funding and Staffing	Deleted	Deleted	Deleted
31	Appropriation Summary Statement	N/R	N/R	Deleted
32	Justification of Proposed Language Changes*	Y	Y	Y
33	Appropriation Language and Code Citations	N/R	N/R	Y
34	Consulting and Related Services	N/R	N/R	Y
35	Periodicals, Pamphlets, and Audiovisual Services	N/R	N/R	Y
36	Average Grade and Salaries	N/R	N/R	Y

*Include exhibit only if applicable to the account.

“N/R” indicates those exhibits not required in the submission or as back-up.

“Back-up” indicates exhibits required as back-up and not included in the justification.

“Deleted” indicates those exhibits that have been eliminated since the last Handbook update.

VOLUME III – BUDGET FORMULATION

**CHAPTER 3 – OPERATING UNIT SUBMISSIONS TO THE OFFICE OF THE
SECRETARY**

TABLE OF CONTENTS

	Page Number
Section 15 Instructions	<u>III (3) - 1</u>
Introduction	<u>III (3) - 1</u>
General Instructions	<u>III (3) - 1</u>
Section 16 Budget Justification	<u>III (3) - 2</u>
Table of Contents (Exhibit 1)	<u>III (3) - 3</u>
Organization Chart (Exhibit 2)	<u>III (3) - 3</u>
Executive Summary (Exhibit 3)	<u>III (3) - 3</u>
Summary of Goals, Objectives and Performance Measures (Exhibit 3A)	<u>III (3) - 3</u>
Priority Ranking of Changes (Exhibit 4)	<u>III (3) - 5</u>
Summary of Resource Requirements (Exhibit 5)	<u>III (3) - 5</u>
Summary of Reimbursable Obligations (Exhibit 6)	<u>III (3) - 6</u>
Summary of Financing (Exhibit 7)	<u>III (3) - 6</u>
Adjustments-to-Base (Exhibit 8)	<u>III (3) - 7</u>
Justification of Adjustments-to-Base (Exhibit 9)	<u>III (3) - 7</u>
Program and Performance: Direct Obligations (Exhibit 10)	<u>III (3) - 17</u>
Program and Performance: Reimbursable Obligations (Exhibit 11)	<u>III (3) - 17</u>
Justification of Program and Performance (by Subactivity) (Exhibit 12)	<u>III (3) - 17</u>
Contribution to Strategic Planning Goals and Objectives (Exhibit 12A)	<u>III (3) - 19</u>
Program Change for 20BY (Exhibit 13)	<u>III (3) - 19</u>
Program Change Personnel Detail (Exhibit 14)	<u>III (3) - 20</u>
Program Change Detail by Object Class (Exhibit 15)	<u>III (3) - 21</u>
Summary of Requirements by Object Class (Exhibit 16)	<u>III (3) - 21</u>

	Page Number
Detailed Requirements by Object Class (Exhibit 17)	<u>III (3) - 21</u>
Activity/Subactivity Change Crosswalk (Part I – CY Structure) (Exhibit 18)	<u>III (3) - 21</u>
Activity/Subactivity Change Crosswalk (Part II – BY Structure) (Exhibit 19)	<u>III (3) - 21</u>
Summary of Outyear Changes Requested (Exhibit 20)	<u>III (3) - 22</u>
Outyear Bridge Table (Exhibit 21)	<u>III (3) - 22</u>
Outlay Analysis Table (Exhibit 22)	<u>III (3) - 22</u>
Summary of Information Technology (Exhibit 23)	<u>III (3) - 23</u>
Appropriations Requiring Authorizing Legislation (Exhibit 29)	<u>III (3) - 23</u>
Justification of Proposed Language Changes (Exhibit 32)	<u>III (3) - 23</u>
Section 17 Presentation, Paper Size, Printing, Electronic Submission	<u>III (3) - 25</u>
Section 18 Performance and Accountability Report	<u>III (3) - 27</u>
Section 19 Internal Department Review	<u>III (3) - 31</u>
Programmatic Review	<u>III (3) - 32</u>
Technical Review	<u>III (3) - 32</u>
Section 20 Secretary’s Initial Allowance	<u>III (3) - 34</u>
Section 21 Appeals and Final Secretary Decisions	<u>III (3) - 35</u>
Section 22 Capital Asset Plan and Business Case (Exhibit 300)	<u>III (3) - 36</u>
EXHIBITS	APPENDIX A
WORKSHEETS	APPENDIX B

SECTION 15 – INSTRUCTIONS

A. Introduction

- 1) The Secretarial budget and planning request should be a reflection of various priorities for the coming budget year and should be a product of early internal review and decision-making within an operating unit. This budget and planning request begins the budget cycle within the Department of Commerce and leads to subsequent requests: the OMB budget and planning request and the President's Budget.

B. General Instructions

- 1) The request to the Secretary is in the form of a budget justification consisting of narrative and quantitative exhibits designed to allow operating units to describe their resource needs. The Office of Budget requires 15 copies of the budget justifications. The materials which follow provide technical guidance and instructions for preparing the required exhibits and narratives.
- 2) Previously submitted as a separate document, the operating unit's Annual Performance Plan (APP) is now incorporated on Exhibit 3A in the budget justification.
- 3) Budget amendments or proposals for supplemental funding for 20CY are prepared separately from the 20BY budget request to the Secretary and are discussed in chapter 6 of this *Handbook*.

SECTION 16 – BUDGET JUSTIFICATION

- A. An operating unit's budget justification request to the Secretary is a link in a continuous process of financial resource management and decision-making. As such, the Office of the Secretary must be provided with a justification that is comprehensive and which conforms fully to the instructions contained in this section. Failure to provide the necessary information in the required format weakens the operating unit's request, and makes the Secretary's review of that request more difficult and thus more subject to denial. The resource estimates contained in the justification typically derive from those of previous years. All references to resource estimates for previous years must agree with the resource estimates that were developed during earlier budget processes.
- 1) Except as noted below, estimates of 20PY and 20CY resources that the operating unit cites in its 20BY request to the Secretary must agree with the amounts presented in the previous year's appendix to the President's Budget and the amounts presented in the submission to the Congress (which, in turn, present the same amounts at all levels of detail).
 - 2) Amounts contained in the previous year's appendix to the President's Budget and the submission to the Congress are adjusted only by the amounts of amendments and supplementals that have been submitted to the Congress or by amounts associated with congressional action. Operating units may adjust detailed information to reflect reprogrammings agreed to by the Department and OMB and forwarded to the Congress. In the case where the Department delays implementing a reprogramming until congressional concurrence is received, adjustments should not be made in the exhibits until the response has been received. Pending reprogramming notifications are not reflected in the estimates.
 - 3) This instruction applies to all references to estimates of 20PY and 20CY resources in the 20BY request and at all levels in the program budget/structure.
- B. The following is a discussion of the exhibits required for the Secretarial request. A sample of these exhibits is provided behind the Exhibits tab. The exhibits demonstrate a typical operating unit request and amounts shown are consistent among exhibits. Shaded areas are for illustrative purposes only and are not included in totals. The operating unit summary materials consists of Exhibits 2, 3, and 4. The appropriation account materials begin with Exhibit 5, "Summary of Resource Requirements." Exhibits 10 through 15 appear consecutively for each subactivity. The materials should be prepared and assembled in the order identified below.

C. Table of Contents (Exhibit 1)

- 1) The table of contents is for the justification material. The materials are organized as displayed with separate sections for summary material, appropriation account material, and operating unit materials. Appropriation account material is shown separately by account. In the table of contents, subactivities are grouped by activity and page numbers are shown for each.
- 2) This exhibit, and all exhibits, should be labeled with the exhibit number in the upper right hand corner of the page.

D. Organization Chart (Exhibit 2)

- 1) This exhibit reflects the approved organizational structure at the time of the submission. If a change is proposed, two charts are required to show the current organization chart and the proposed structure.

E. Executive Summary (Exhibit 3)

- 1) This exhibit provides the operating unit with an opportunity to summarize its budget request in terms of operating unit priorities, Secretarial guidance and priorities, and Administration priorities. The summary includes the following headings: 1) General Statement; 2) Goals of the Program; 3) Statement of Objectives; 3) Summary of Proposed Changes. Operating units must discuss their budget request in terms of the Department's Strategic Plan.

F. Summary of Goals, Objectives and Performance Measures (Exhibit 3A)

- 1) This exhibit is the annual performance plan (APP) and is the primary location where most information related to the integration of budget and performance is provided. The exhibit provides a summary of the operating unit's performance outcomes (objectives for some specific bureaus) and associated measures, targets and resources available to the operating unit to achieve its stated outcomes and measures. The operating unit should show a six-year target history. For the secretarial submission, this should include three prior years, the 20CY targets, the latest President's Budget targets, and the 20BY. See pages 3 – 5 of Appendix A to this chapter for the table. Outyear targets should only appear in Exhibit 13. Actual funding data are also displayed for all available fiscal years. The dollar figures represent obligations by performance outcome. In the Resource Requirements table, funding amounts within each performance outcome are further detailed by the operating unit's program accounts and activities as cited in the annual Budget in Brief. Information technology (IT) funding and FTE amounts are also displayed for each performance outcome. OMB requirements for meeting the Government Performance and Results Act (GPRA) and for the Annual Performance Plan

are addressed in [OMB Circular A-11, section 200](#). Additional OMB requirements for the Performance and Accountability Report (PAR) may be found in OMB Circular A-136.

- 2) Bureaus may be requested to provide information on funding at a different or more detailed level, such as line office program activity and strategic objectives, for program changes in Exhibit 12A.
- 3) The exhibit should include the following information for each performance outcome: description of how each performance outcome supports the corresponding Departmental strategic goal; priorities and challenges affecting the proposed budget; related performance measure summary with actual and target information; measure description; relevant program changes that apply to the performance measure with a cross-reference to Exhibit 13; and validation and verification information for each measure.
- 4) Performance data for program changes should also appear in Exhibit 13, and should include 20CY, the latest President's Budget, and 20BY, and three outyears. If a program change has no related GPRA measure, the operating unit should propose a measure that will become a GPRA measure if the program change is accepted.
- 5) Include a Table of Contents specific to the 3A. Arabic numerals should be used for page numbering.
- 6) The exhibit should include the following sections, also to be listed in the Table of Contents:
 - i) Mission: Limit this section to no longer than a half page.
 - ii) DOC Goals and Objectives and Bureau Outcomes: Discuss how the bureau's outcomes support the Department's goals and objectives. Only include GPRA measures and significant long-term outcome measures. If a new outcome is added, a discussion that provides some context for the new outcome is required.
 - iii) PART Summary: Include discussion of relevant open PART recommendations and improvement plans. Status of prior year information in ExpectMore.gov may be cited as such and need not be repeated in the 3A. PART reviews done in prior years should only include scores, ratings, and open recommendations.
 - iv) Priorities and Management Challenges: Discuss how performance data and other evaluations have influenced the proposed budget and how the bureau will improve program performance. A brief, high-level discussion of performance may be summarized here.

- v) **Targets and Performance Summary:** This section combines into one table respective performance measure details, including prior year actuals and current and budget year targets, measure description, comments on changes to targets, relevant program changes with a cross-reference to Exhibit 13, and validation and verification information for that measure. Use one table per measure. Only list GPRA and long-term outcome measures. Note that for the secretarial submission, actuals should match prior year PAR.
- vi) **Program Changes:** The table for this section should cite the subsequent page in the budget justification where the program change and impact on performance measures are described in detail. Every proposed change should affect one or more GPRA measure. In rare instances where a proposed change does not affect a GPRA measure, propose a non-GPRA measure that will be affected. This measure will become a GPRA measure if the change is accepted. It is difficult to justify a program increase that does not reflect a measurable impact to a program. For more on Exhibit 13, see pages 28 – 33 of Appendix A to this chapter.
- vii) **Resource Requirements Summary:** The dollar amounts should reflect total obligations (including recurring reimbursables).

G. Priority Ranking of Changes (Exhibit 4)

- 1) Listed, in priority order, are adjustments-to-base and program increases and decreases to the 20CY for an operating unit. The highest priority change is ranked (1). If it is intended that a program increase in one area is to be offset by a decrease in another, the two are ranked with the same priority number. The page number next to each item indicates the page where the detail of the program change begins in the Justification of Program and Performance (Exhibit 12). The activity, subactivity and item descriptors are those used in the justification. The ranking includes a total line for full-time equivalent employment and direct obligations.

H. Summary of Resource Requirements (Exhibit 5)

- 1) This schedule is included for each account in which direct obligations will occur in any year covered by the budget. It consists of two sections.
 - i) The first section tracks FTE, positions, direct obligations, budget authority and appropriations from the 20CY President's Budget to the operating unit's 20BY estimate. (For operating units with identical amounts for direct obligations, budget authority, and appropriations, the first section of the exhibit can be simplified to show only budget authority.) The section includes:
 - (a) The President's Budget, 20CY is the amount included in the President's 20CY

budget, adjusted for any amendments which have been officially submitted to the Congress through OMB.

- (b) 20BY adjustments-to-base include uncontrollable cost changes.
 - (c) 20BY base is the 20CY President's Budget plus adjustments-to-base.
 - (d) 20BY program changes represent the net amount requested above or below the 20BY base.
 - (e) 20BY estimate represents the resources requested for 20BY and is the total of the 20BY base plus the 20BY program changes.
- ii) The second section of the exhibit provides a comparison by activity. It summarizes by budget activity and subactivity the total FTE, positions, budget authority, and direct obligations related to the following columns:
- (a) 20PY Estimate;
 - (b) 20CY President's Budget;
 - (c) 20BY Base;
 - (d) 20BY Estimate; and
 - (e) Increase / (Decrease) over 20BY Base.
- 2) Additionally, any adjustments such as transfers, financing from prior years, fee collections, etc., should be included in the Adjustments to Obligations section.
- 3) The detail by activity and subactivity should be identical to the 20CY President's Budget appendix unless a restructuring is proposed and an Activity/Subactivity Change Crosswalk, Exhibit 18 for 20CY or 19 for 20BY, is submitted.
- I. Summary of Reimbursable Obligations (Exhibit 6)
- 1) This exhibit displays reimbursable obligations in the same format as the comparison by activity section of Exhibit 5.
- J. Summary of Financing (Exhibit 7)
- 1) This is the same format as the Adjustments to Obligations section of Exhibit 5 but with the addition of lines for reimbursables and other offsetting collections. If there are no

offsetting collections, this exhibit should be excluded.

- 2) Exhibit 7 shows the relationship between total direct obligations and the budget authority and appropriation requested for 20PY, 20CY President's Budget, 20BY Base and 20BY estimate. The increase/(decrease) column will show the difference between the 20BY base and the 20BY estimate. The appropriation line reflects the effect of transfers.
- 3) This schedule is prepared on the assumption that all resources are expended in the year in which they become available unless there has been a policy decision to the contrary or, in the case of the budget year, a proposal to the contrary. Unobligated balances in 20CY and 20BY therefore, appear on this exhibit only as a result of policy decisions or budget year proposals.

K. Adjustments-to-Base (Exhibit 8)

- 1) This exhibit summarizes by item the budget authority and FTEs required for each adjustment-to-base (ATB). The ATBs are categorized by transfers, adjustments, financing, and other cost changes. A description of each of these categories is given in the next section. In order to qualify as an ATB, an increase or decrease must meet the following criteria:
 - i) represent the cost of the same level of effort as in 20CY;
 - ii) result from actions outside the control of operating unit management;
 - iii) be supported by specific documentation that provides a basis for the estimates; and
 - iv) be known, not probable, cost adjustments (i.e., a request for an ATB for increases in per diem rates should not be requested unless GSA has published new rates with an effective date).
- 2) Each spring, the Department's Office of Budget, Budget Coordination and Reports Division (BCRD), will issue annual guidance to aid in the development of the ATBs for the budget year. Included will be economic assumptions, standard benefit contribution rates, and information regarding other adjustments.

L. Justification of Adjustments-to-Base (Exhibit 9)

- 1) This exhibit details and justifies the amounts requested on Exhibit 8. Assumptions about factors such as retirement plan participation rates, health insurance rates, and life insurance rates are consistent throughout the explanations.
- 2) In the next sections, the most common ATBs are discussed. The format of this material

includes general guidance, followed by a sample standard narrative to be used by operating units.

- 3) In computing ATBs, operating units should use whole dollars to calculate all adjustments and round to thousands of dollars to determine the ATB. If a calculation comes out to exactly .5, round to the nearest even number. For example, 7.5 (or \$7,500) and 8.5 (or \$8,500) would be rounded to 8 (or \$8,000). Calculated rates should be rounded to three decimal points, (i.e., .051 or 5.1%). Rates provided by external sources will not be rounded.
- 4) ATBs should be based on the object class distribution provided in the 20CY congressional budget. Requests for realignments must be submitted to, and approved by, BCRD in advance of the Secretarial budget submission. It is suggested that operating units calculate standard ATBs using electronic spreadsheets (see Appendix B – III (3)) available from BCRD. This will ensure consistency among all operating units and also facilitate the preparation and review of these cost changes. These worksheets should be submitted as backup to the request. Other ATB increases requested must be thoroughly justified as to why they are uncontrollable and include the supporting documentation used in developing the estimates.
- 5) Most Common ATBs
 - i) Transfers
 - (a) Justifications for transfers must identify the operating units and accounts involved in the transactions. They must also state the reason and the purpose of the transfer. Documentation implementing the transfer, such as a signed memorandum of understanding, should be forwarded as back-up.
 - (b) Narrative example
 - (1) Pursuant to a memorandum of understanding dated January 2, 20PY, one FTE and \$31,000 will be transferred to Salaries and Expenses, General Administration, to provide support for the financial management system.
 - ii) Adjustments
 - (a) Adjustments will include uncontrollable cost changes unique to specific operating units. Examples of ATBs in this category are non-recurring items requested in the 20CY budget and adjustments due to OMB action. One example of an OMB action that may require an ATB is a reduction to the 20CY request based on anticipated recoveries of prior year obligations. An operating

unit may need to restore this reduction to the budget authority request to maintain the same program level.

(b) Narrative examples

- (1) Funds of \$57,000 requested for 20CY data processing activities will not be required in 20BY.
- (2) In 20CY, the budget authority request was reduced by \$1,000,000 based on offsets from anticipated recoveries of prior year obligations in 20CY. This ATB would restore the reduction in 20BY to maintain the 20CY program level.

iii) Financing

- (a) This category would identify financing of the proposed program level from funds other than the general fund or a special fund. Examples are new fees and estimated 20BY recoveries of prior year obligations. These estimates would be reported as reductions to the requested budget authority.

(b) Narrative example

- (1) In 20BY, this operating unit expects to realize recoveries of prior year obligations of \$1.5 million. This amount will be used to offset the budget authority in 20BY.

iv) Other Changes

(a) Pay Raises

- (1) Operating units should include the cost of annualization of 20CY pay raises.

(i) Narrative example

1. Full-year cost of the 20CY pay increase and related costs.
The 20CY President's Budget assumes a pay raise of 3.6% to be effective January 1, 20CY.
- (2) In addition, [OMB Circular A-11](#) requires agencies to use the pay raise percentage increase released in the economic assumptions for the 20CY budget. These rates will be provided as part of the annual ATB guidance. The rates will be applied to the General Schedule, Foreign Service, Executive Schedule, the Senior Executive Service, and wage grade

employees. Calculations of the pay raise may need revisions during the budget process based on revised OMB assumptions. The "A" Worksheets provide the format for computing pay raises.

(i) Narrative example

1. A general pay raise of 3.9% is assumed to be effective January 1, 20BY.

(b) Full-year cost in 20BY of positions financed for part-year in 20CY

- (1) Estimates for program changes that include additional personnel normally assume a delay in filling the new positions. That is, if a program increase requires four new people, cost estimates are based on the assumption that the four people will not start on October 1, 20BY, but on January 1, 20BY, due to the timing of the enactment of appropriations and personnel being hired and brought on-board. This would result in a 25% lower FTE usage in the initial year than subsequent years. The funding of this 25% increment in the second year is the annualization of the new positions and is treated as an ATB. The full-year amount is adjusted by a standard 5% lapse rate. Operating units should also include an adjustment to salaries to reflect the 20BY pay raise. See Worksheet B in Appendix B of this chapter for more specific instructions and back-up format.

(i) Narrative example

1. An increase of \$57,189 is required to fund the full-year cost in 20BY of positions financed for part-year in 20CY. The computation follows.

(c) Changes in compensable days

- (1) Not all fiscal years have the same number of compensable days. When the budget year differs from the current year, the cost change would require an ATB. [OMB Circular A-11](#) includes a table with the number of compensable days over a four-year period. (See the section on Estimating Employment Levels and the Employment Schedule.) The number of compensable days in FY 2008 is 262, two more than 2007. FY 2009 and FY 2010 both have 261. Therefore, an ATB for a change in compensable days is necessary in FY 2008 and FY 2009.
- (2) The ATB is calculated by dividing the applicable personnel compensation and benefits for the current year by the number of compensable days in that

year. If in a future year, there should be a difference of two compensable days, the above result would be multiplied by two. Include in the calculation, costs that vary with the number of compensable days, such as salaries, retirement contributions, TSP, OASDI, Medicare, and life insurance. Exclude costs that do not vary with the number of compensable days, such as the cost of other personnel compensation (overtime, SES performance awards, cash awards, health benefits, and the Employees' Compensation Fund). Overtime may only be included if it is a significant portion of personnel costs and is a continuing requirement for executing routine duties. See Worksheet D in Appendix B of this chapter for format of calculations.

(i) Narrative example

1. The increased cost of one more compensable day in 20BY compared to 20CY is calculated by dividing the 20CY estimated personnel compensation (\$6,708,000) and applicable benefits (\$791,000) by 261 compensable days. The cost increase of one compensable day is \$28,732.

(d) Civil Service Retirement System (CSRS)

- (1) Prior to January 1, 1984, most employees were covered by CSRS. On that date, the Federal Employees' Retirement System was implemented covering all new employees. Hence, as new employees are hired, the number and percentage of employees under CSRS decline. The decreased cost of employer contributions for CSRS is treated as an ATB and is the difference between the estimated cost of such contributions in 20CY and 20BY. Estimates for both years are based on total salaries subject to retirement; the CSRS participation rates (percentage of such salaries under CSRS); and the employer contribution rates. Salaries subject to retirement will be based on estimates provided in the 20CY congressional budget. The 20CY participation and contribution rates used in the calculations will be the percentages shown in the 20CY congressional budget. For 20BY, OB will issue annual guidance providing the projected participation rates for each operating unit. The CSRS contribution rates are set by law and will be included in the annual ATB guidance.

(i) Narrative example

1. The number of employees covered by the Civil Service Retirement System (CSRS) continues to drop as positions become vacant and are filled by employees who are covered

by the Federal Employees Retirement System (FERS). The estimated percentage of payroll for employees covered by CSRS will drop from 62.5% in 20CY to 61.7% in 20BY for regular and foreign service employees and from 90.9% in 20CY to 82.8% in 20BY for law enforcement employees. Contribution rates will remain the same.

(e) Federal Employees Retirement System (FERS)

- (1) This ATB reflects the increasing cost of employer contributions for the Federal Employees' Retirement System. The adjustment is the difference between the 20CY and 20BY costs of such contributions. Estimates for both years are based on the total salaries subject to retirement costs; the percentage of such salaries anticipated to be subject to FERS contributions; and the rate for employer contributions. Salaries subject to retirement will be based on estimates provided in the 20CY congressional justification. The 20CY percentage subject to FERS is the percentage shown in the pending 20CY budget request. The 20BY percentage equals the participation rate developed by the OB and provided to operating units. The Office of Personnel Management (OPM) is required by law to maintain FERS on a fully-funded basis. OPM uses periodic actuarial studies to determine funding levels necessary to maintain the viability of the system and adjusts contribution rates accordingly.

(i) Narrative example

1. The number of employees covered by FERS continues to rise as employees covered by CSRS leave and are replaced by employees covered by FERS. The estimated percentage of payroll for employees covered by FERS will rise from 37.5% in 20CY to 38.3% in 20BY for regular and foreign service employees. The estimated percentage of payroll for law enforcement employees covered by FERS will increase from 9.1% in 20CY to 17.2% in 20BY. The contribution rate for regular employees will decrease from 13% in 20CY to 12.9% in 20BY. For foreign service employees, the contribution rate will increase from 21.86% in 20CY to 25.20% in 20 BY. The contribution rate for law enforcement employees will remain the same.

(f) Thrift Savings Plan (TSP)

- (1) Employees covered under CSRS and FERS may participate in TSP, a tax-

deferred savings plan. CSRS employees may contribute to this plan at no cost to the Government. For FERS employees, the Government is required to contribute a minimum of 1% but no more than 5% of each employee's salary, determined by the amount of the employee's contribution. The exact percentage will vary based on each employee's contribution. Estimates of TSP are based on salaries subject to FERS retirement, FERS participation rates, and the operating unit's contribution rate. The first two factors will be based on the FERS computations (discussed in the above paragraph). For the contribution rate, 2% has been the standard rate used by most operating units. However, operating units may use actual payroll data to develop a more accurate rate, but must submit supporting documentation as back-up.

(i) Narrative example

1. The cost of agency contributions to the Thrift Savings Plan will also rise as FERS participation increases. The contribution rate is expected to remain 2%.

(g) Old-Age, Survivors and Disability Insurance (OASDI)

- (1) Estimates are based on the percentage of total salaries subject to FERS; the percentage of such salaries subject to OASDI contributions; and the applicable employer contribution rate. The percentage of total salaries subject to FERS will be based on the FERS ATB calculations. The salaries subject to OASDI contributions are capped each year by law. As the cap is raised, the relevant percentage increases. operating units will need to compute the percentage of salaries under FERS at or under the cap. The employer contribution rate will be included in the annual ATB guidance. The second part applies to those operating units having employees with salaries not subject to retirement contributions (i.e., temporary or intermittent employees). The estimate is based on the difference between total salaries and salaries subject to retirement contributions; the percentage of such salaries subject to OASDI contributions; and the applicable employer contribution rate.

(i) Narrative example

1. As the percentage of payroll covered by FERS rises, the cost of OASDI contributions will increase. In addition, the maximum salary subject to OASDI tax will rise from \$82,800 in 20CY to \$87,750 in 20BY. The OASDI tax rate will remain 6.2% in 20BY.

(h) Health Insurance

- (1) Health insurance is an optional benefit. Employees can elect not to participate or can choose among a wide range of plans. The cost estimate of employer contributions for health insurance varies widely depending on the health plans chosen by employees. To develop the ATB for health insurance, operating units should compare the average health insurance cost per person before and after the annual rate increase in January of each year. The percentage difference between the two would be applied to health costs reflected in the 20CY congressional budget. See Worksheet E in Appendix B of this chapter for format of computation.

(i) Narrative example

1. Effective January 20PY, this operating unit's contribution to Federal employees' health insurance premiums increased by 10.7%. Applied against the 20CY estimate of \$366,000, the additional amount required is \$39,162.

(i) Federal Employees' Compensation Act

- (1) In the summer of each year, the Employment Standards Administration of the Department of Labor will provide the amount due for benefits paid on behalf of operating units' employees in the past year (July 1 through June 30) under the Federal Employees' Compensation Act. The difference between the current billing and the previous year's billing is requested as an ATB. For accounts subject to the appropriations process, the full amount billed is payable upon enactment of the 20BY appropriation.

(i) Narrative example

1. The Employees' Compensation Fund bill for the year ending June 30, 20PY, is \$7,225 higher than the bill for the year ending June 30, 20PY-1. Upon enactment of the 20BY appropriation, this operating unit will reimburse the Department of Labor \$82,824 pursuant to 5 U.S.C. 8147.

(j) Travel

- (1) When the General Services Administration (GSA) increases/decreases mileage and/or per diem rates, operating units should request the rate changes as ATBs. For mileage rate changes, the GSA rate difference would

be applied against the mileage estimate in the 20CY congressional budget to arrive at the ATB. ATB requests for per diem changes should be based on each operating unit's historical pattern of visited sites. The specific locations and the frequency of the trips should be considered. Based on these data, each operating unit would compute an average rate change and apply it to the per diem estimate in the 20CY congressional budget. See Worksheet F of Appendix B to this chapter for the format of the per diem ATB computation.

(i) Narrative example

1. Effective September 20PY-1, the General Services Administration raised the mileage rate from 32.5 cents to 34.5 cents per mile, a 6.2% rate increase. This percentage was applied to the 20CY estimate of \$31,000 to arrive at an increase of \$1,922.
2. Effective January 20PY, the General Services Administration raised per diem rates. This increase results in a 3.9% increase to this operating unit. This percentage was applied to the 20CY estimate of \$117,000 to arrive at an increase of \$4,563.

(k) Rental Payments to GSA

- (1) Each spring or early summer, the Department receives rate packages for GSA-controlled space. These packages are forwarded to each operating unit's space management staff for determining GSA costs for 20BY. The packages include proposed 20BY GSA rates and current square footage of each operating unit's location. Based on these data, space management staffs develop base estimates for GSA rent. Budget staff should contact that office for the estimated rent payment and request the increase or decrease over the 20CY estimate included in the 20CY congressional request as an ATB. If the estimates from this package are not prepared in time for inclusion in the Secretarial budget, operating units should use the interim average rate increase provided in the ATB guidance. However, this is only to be used until the estimates have been finalized using the GSA rate packages. At that time, operating units amend their requests to reflect the revised estimate.
- (2) After enactment of the 20CY appropriation and receipt of the OMB 20BY final allowance, rent estimates for both years may need revision. Budget and space management staffs should cooperate in developing the estimates

for inclusion in the 20BY congressional budget.

(i) Narrative example

1. GSA rates are projected to increase 2.9% in 20BY. This percentage was applied to the 20CY estimate of \$1,618,000 to arrive at an increase of \$46,922.

(l) Postage

- (1) When the Postal Service implements changes in postage rates, operating units should request the cost increases as ATBs. The rate increase would be applied against the postage estimate in the 20CY congressional estimate to arrive at the ATB.

(i) Narrative example

1. Effective February 20PY, the Postal Service implemented a rate increase of 16%. This percentage was applied to the 20CY estimate of \$85,000 to arrive at an increase of \$13,600.

(m) Working Capital Fund, Departmental Management

- (1) Operating units should not request an ATB for the Working Capital Fund in the Secretarial budget. OB will notify each operating unit of its allocation in either the initial or final ATB allowance memorandum.

(n) General Pricing Level Adjustment

- (1) Operating units may apply the most recent OMB non-pay Federal deflator to the 20CY congressional estimates for transportation of things, rental payments to others; communications, utilities, and miscellaneous charges (excluding postage); GPO printing, other contractual services (excluding CAMS and WCF), supplies and materials, and equipment to cover increases due to inflation. Applying this deflator negates the requirements for operating units to submit requests for specific contractual service and supply increases. Such requests will not be funded in allowances. Although there may be cost increases that exceed the applied deflator, there may be other terminating contracts or other unidentified decreases that may be used to accommodate any funding disparity for these items. The increased costs should be absorbed within amounts currently in base

funding or within the overall adjustments-to-base requested for the general pricing level adjustment.

(i) Narrative example

1. This request applies OMB economic assumptions for FY 20BY to object classes where the prices the Government pays are established through the market system. Factors are applied to transportation of things,(\$0); rental payments to others (\$0); communications, utilities and miscellaneous charges (excluding postage) (\$1,314); GPO printing (\$1,395); other contractual services (\$77,184); supplies and materials (\$1,476); and equipment (\$4,914).

M. Program and Performance: Direct Obligations (Exhibit 10)

- 1) This schedule displays the direct obligations and full-time equivalent employment associated with the line items within each subactivity. Where header strips for each item in this exhibit and the next one are brief, they may be followed on the same page by the start of narrative information to avoid wasting space.

N. Program and Performance: Reimbursable Obligations (Exhibit 11)

- 1) This exhibit is no longer required. Information will be requested on an as needed basis.

O. Justification of Program and Performance (by Subactivity) (Exhibit 12)

- 1) The justification covers every subactivity for which direct obligations will be incurred or FTE used in any year covered by the budget. Column headings will be identical to those found in the "Summary of Resource Requirements." The justification includes the following subjects, each under a separate heading. Each header is centered.
- 2) Goal Statement - Each base program narrative begins with a brief statement of the subactivity's goals. The goal is a one or two sentence description that links to a specific measure of program impact previously described in the executive summary.
- 3) Base Program - The base program narratives describe each of the operating unit's subactivities in detail, and they provide a framework for assessing whether resources are being used efficiently and effectively. The program narratives provide supporting information about line items to further explain the work performed in each subactivity.
- 4) Statement of Operating Objectives - The next section presents the subactivity's objectives for the budget period. These objectives set targets for the specific work that will be

performed in pursuit of policy objectives. They establish deadlines for achieving reorganizations, and they attempt to forecast when the benefits will be obtained. They define the expectations for the benefits to be derived from new technologies and initiatives.

- 5) Explanation and Justification - This section describes the subactivity's operations and services. It briefly describes the work carried out within the line items. It reveals which of the operating unit's organizations participate in the subactivity's operations. It explains what they do. It describes the field structure of the organizations, the characteristics of the client population, or any other facts needed to explain the nature and amount of work performed within the subactivity. It identifies major trends or other forces that can be expected to influence the subactivity during the budget period.
 - i) This section also explains the relationship between the subactivity's work and the operating unit's program impacts. It cites any evidence that measures the benefits of the subactivity's work or the contribution its work makes to the mission of the operating unit. It lists any factors that impede the measurement of the work's benefits and contributions.
 - ii) Finally, it explains any alternative means of achieving equivalent benefits. It indicates whether private sector alternatives to its operations exist. It also mentions any other Government programs that provide similar or competing services. It describes why such alternative service delivery options are unsatisfactory.
- 6) Measures of Performance (all sources of funding) - This section forecasts changes in the level of services and operations of the subactivity. Its purpose is to illustrate trends in the level of the subactivity's work. It presents performance forecasts that compare to the performance level proposed in the previous President's Budget. It contains supporting narrative necessary to define and explain the performance measures and is consistent with the operating unit's performance plan. The performance measures section of the base narrative should contain all performance measures associated with each subactivity line item.
- 7) Proposed Legislation - The justification highlights all requirements for new authorizing legislation. Included are requirements for extension of existing legislation as well as any legislative proposals for lapse or repeal of existing legislation. A description of the proposed legislation should describe the new legislation in detail and justify the need for it. This section of the justification serves as the basis for the departmental legislative package proposal.

P. Contribution to Strategic Planning Goals and Objectives (Exhibit 12A)

OB will advise those bureaus required to submit Exhibit 12A and will provide specific guidance as to what level of detail the data should be reported. For each program change, the Exhibit 12A shows 20PY, 20CY, and 20BY base, 20BY estimate, and increase/decrease from the base for program funding by line or program office.

Q. Program Change for 20BY (Exhibit 13)

- 1) The program change exhibit and its accompanying narrative are designed to provide a Departmental analyst sufficient information to understand what the operating unit is proposing and to determine whether the change is justified. The program change exhibit describes and lists substantive departures from the resource levels included in a subactivity's 20BY line item base. Program changes are defined as increases, decreases, or substantive changes without resource effects. The heading for this exhibit reads "Increase(s)," "Decrease(s)," or "Changes," as appropriate. The description of each change starts on a separate page.
- 2) Summary - The program change exhibit and narrative begin with a summary line that indicates the line item that would be affected by the program change. It also shows the affected line item's base resource level, the 20BY estimate that includes the effects of the change, and the incremental amount of the program increase or decrease. Following the base resources summary line, in a separate paragraph, is a summary description of the change with its short title underlined. (The short title is followed by the incremental amount of the change, in full-time equivalent employment and in dollars.)
- 3) Program Change Explanation and Justification - Following the summary description, if appropriate, describe specific components of the initiative and how the resources will be used. Do include a detailed discussion of past program performance and impact to current performance measures if funded. Especially important are those outcome oriented measures which indicate how the initiative impacts the economy (jobs, exports, etc.). Additionally, the initiative should also be put in the context of the Department's Strategic Plan by discussing which strategic themes and goals are supported. This discussion would be consistent with the operating unit's performance plan.
- 4) Performance Measures - Following the program change narrative is a table of the operating unit's performance measure(s) affected by the initiative. The table reflects the performance for 20CY, the latest President's Budget, 20BY and three outyears. The table should also reflect how performance will improve with the increase or change without the increase (or similarly how it will change with and without a decrease). These performance measures must be consistent with the measure(s) in the base narrative and in the operating unit's performance plan. If

the operating unit is unable to determine how the initiative impacts current operating unit performance measures, the initiative may be subject to denial. Note that the Exhibit 3A cross-references this section. For more information refer to A – III (3) - 32.

- 5) Costs - Following the Performance Measures table is a summary table of the program change's resource affects in the budget year and the outyears. All outyear resources are expressed in 20BY dollars. If appropriate, estimated cost increases for outyear changes are shown on the Summary of Outyear Changes Requested (Exhibit 20).
- 6) Resource requirements for program increases are sorted according to whether or not they are capitalized. Capitalized resources are defined as those used to acquire goods or services that will remain available beyond the fiscal year in which they are acquired or first placed in service, whichever is later. As a general rule, capitalized resources fall into three object classes, as defined by the [OMB Circular A-11](#): other services (25.0), equipment (31.0), and land and structures (32.0). Not all resources in these object classes are necessarily capital resources, however. Footnotes at the bottom of Changes for 20BY (Exhibit 13), as appropriate, clarify the assumptions used to distinguish between capitalized and non-capitalized resources. For additional reporting requirements for requests for capital assets, refer to Volume III, Chapter 4.
- 7) The summary table also displays the initiative's budget authority, outlays, and FTE in the budget year and the outyears. Footnotes at the bottom of Changes for 20BY (Exhibit 13), as appropriate, indicate those program change proposals where the life-cycle costs and benefits would not fully accrue during the period 20BY through 20BY+4. All such footnotes define the full life-cycle of the program change.

R. Program Change Personnel Detail (Exhibit 14)

- 1) This exhibit provides the basis for the estimate of personnel compensation for each program change requested. It includes the title and grade of each position and the number of positions requested for each. Salary figures reflect the 20CY rates at Step 1 of each grade for program increases and are based on the pay rate of the location where the new employees will be assigned. Estimates for salaries for program increases assume that new positions are filled no sooner than the beginning of the second quarter of the year. Such estimates, therefore, reflect no more than 75 percent of the full year cost of new positions. An adjustment for the 20BY pay raise to total salaries is shown on one line entry.
- 2) For program decreases, the current grades and steps for all positions to be eliminated are shown. An amount for benefits to former personnel is usually included when eliminated positions are not picked up elsewhere.

S. Program Change Detail by Object Class (Exhibit 15)

- 1) This exhibit shows the object class detail for each program change requested. The table includes all major object classes even if no funds are required for some.

T. Summary of Requirements by Object Class (Exhibit 16)

- 1) This exhibit is included for each account in which direct obligations will occur in any year covered by the budget. The Increase/(Decrease) column compares the 20BY Estimate to the 20BY Base. The total 20BY increase/decrease of all Exhibits 15 should equal the total increase/decrease column on the Summary of Requirements by Object Class, Exhibit 16. For more information on object classification, refer to [OMB Circular A-11](#).

U. Detailed Requirements by Object Class (Exhibit 17)

- 1) This exhibit follows the same format as the Summary of Requirements by Object Class (Exhibit 16), but provides more detail for the object classes. If other detailed categories are necessary, they may be included. The level of detail in the sample exhibit is the minimum level of detail required. For more information on object classification, refer to [OMB Circular A-11](#).

V. Activity/Subactivity Change Crosswalk (Part I - CY Structure) (Exhibit 18)

- 1) If no changes are proposed to appropriation or activity structure, this exhibit is not required.
- 2) If a change to appropriation or activity structure is proposed, this exhibit should be included displaying the budget request in terms of 20CY's Presidential budget structure and the proposed new structure.
- 3) The crosswalk displays the 20BY total direct obligations request in the activity/subactivity structure from the 20CY congressional justifications. It indicates the changes being proposed for 20BY and accounts for all subactivities. If no changes are proposed for a subactivity, it indicates "No change" under the "Proposed Changes" section of the table.

W. Activity/Subactivity Change Crosswalk (Part II - BY Structure) (Exhibit 19)

- 1) This crosswalk displays the activity/subactivity structure proposed for 20BY and redistributes total direct obligations amounts for 20PY-2 to 20BY in terms of the new structure. The amounts shown in the 20BY column reconcile to the changes proposed in

Exhibit 18. The amounts shown in all Exhibits 19 reconcile to Exhibit 18.

X. Summary of Outyear Changes Requested (Exhibit 20)

- 1) This table summarizes the requests for program changes and other adjustments in the budget year that will affect years 20BY+1 through 20BY+4. To ensure consistent starting points for the analysis and use of information in this table, it starts with a base program row, and includes rows for program changes; pay raises and estimated cost changes.
- 2) Program Changes - Listed here are annualization of 20BY program changes and other outyear program changes justified in the body of the narrative that involve changes in any of the years 20BY+1 through 20BY+4. Amounts are stated in terms of changes from the 20BY base. A program change which involves \$750,000 in 20BY and \$1 million in 20BY+1, for example, is shown here as \$1 million for 20BY+1.
- 3) Other Adjustments and Anticipated Cost Increases - Also listed and explained are all other adjustments.

Y. Outyear Bridge Table (Exhibit 21)

- 1) This exhibit is no longer required. Outyear information will be provided in Exhibit 20.

Z. Outlay Analysis Table (Exhibit 22)

- 1) This table provides outlay data for each account in which there are planned or actual outlays in any of the years 20PY through 20BY+4. Normally outlays for an account are projected on the basis of a single set of estimates of the rate at which funds will be outlaid for obligations. These estimates normally take the form of the percentages of a year's obligations for which funds will be outlaid in that year and each succeeding year. These percentages are often referred to as "spendout rates" and should be rounded to the nearest whole number. In cases, however, where programs within a single account have distinctly different spendout rates, such rates are used for projections and the standard table is modified accordingly.
- 2) In computing outlay spendout rates, operating units should consider the various lengths of time to liquidate different classes of obligations. For example, whereas payroll obligations are 95% outlaid in the year of obligation, construction obligations could take several years to be liquidated. Therefore, each operating unit should review their different sources of outlays in developing overall spendout rates. As follow-up, estimated outlays should be checked against actual outlays periodically to test their validity. For one-year accounts, a good source is the Treasury Annual Report which details the outlays made during the current year by the fiscal year in which the obligation

was made. For no-year accounts, operating units will have to rely on internal financial reports for verifying the spendout rates.

- 3) Resources Available for Outlay - This column shows all resources available to be outlaid. These resources consist of obligated balances at the start of 20PY and estimated obligations for 20PY - 20BY+4.
- 4) For selected revolving funds, where net obligations would be a negative number, the table should use gross obligations to calculate gross outlays and include a line for subtracting the absolute value of offsetting collections to arrive at net outlays. Exhibit 22 (Alternate) provides the format to use for these funds.
- 5) Outlays
 - i) The spendout rates used are consistent with the 20CY President's Budget. If different spendout rates are used, a narrative explanation is provided on a separate page following the outlay table. An explanation is also provided if spendout rates vary from year to year. Some reasons for proposing changes in spendout rates include one-time programmatic events or a consistent variance in the past between actual and estimated outlays.
 - ii) The total outlays shown in the last column equal the resources available for outlay for each year unless the projected spendout exceeds the number of years available on the table.
 - iii) If outlay estimates for 20PY and 20CY do not agree with the figures from the 20CY President's Budget, an explanation is provided on a separate page.

AA. Summary of Information Technology (Exhibit 23)

- 1) This table identifies financial resources for the prior, current, and budget years at the activity/subactivity levels reported on Exhibit 5. It cites IT investments within the activities/subactivities by title and unique project identifier used in the Agency IT Investment Portfolio ([OMB's A-11 Exhibit 53](#)). The data reported must be consistent with information provided on Exhibit 53.

BB. Appropriations Requiring Authorizing Legislation (Exhibit 29)

- 1) This exhibit is no longer required.

CC. Justification of Proposed Language Changes (Exhibit 32)

- 1) This table details substantive language changes to appropriation language included in the

20CY President's Budget. Changes should be sequentially numbered and footnoted in a brief paragraph describing the rationale for the proposed language change. Quotation marks should be used properly. Provisions proposed for deletion should be bracketed and new language should be underlined.

**SECTION 17 – PRESENTATION, PAPER SIZE, PRINTING, ELECTRONIC
SUBMISSION**

- A. Fifteen copies of the budget justification should be provided to the Budget Coordination and Reports Division for distribution within the office and to senior officials.
- B. Presentation
- 1) All narrative materials are typed single spaced in accordance with the formats provided in the exhibits.
 - 2) All exhibits begin on a separate page.
 - 3) The material is be clear and sharp and should contain no penciled additions, deletions or corrections.
 - 4) The Summary of Resource Requirements is printed on salmon-colored paper.
- C. Paper Size
- 1) All narratives and exhibits are printed in landscape mode on 8 ½ by 11 inch paper.
- D. Exhibit and Page Numbering
- 1) Each exhibit is numbered according to the established Department of Commerce convention, with "Exhibit XX" shown in the upper right hand corner of the exhibit's first page. Page numbers are preceded by the agency designations shown below. All pages are numbered consecutively within each agency. Page numbers appear in the lower right hand corner. Any changes or corrections made in the pages after the initial submission to the Department are marked "Revised" and dated. For example: DM-1 Revised 09-28-2007.
- E. Agency Designations

Agency – Full Name	Agency Designation
Departmental Management	DM
Office of Inspector General	OIG
Economic Development Administration	EDA
Bureau of the Census	CEN
Economic and Statistical Analysis	ESA
International Trade Administration	ITA
Bureau of Industry and Security	BIS
Minority Business Development Agency	MBDA

Agency – Full Name	Agency Designation
National Oceanic and Atmospheric Administration	NOAA
Patent and Trademark Office	USPTO
Technology Administration	TA
National Institute of Standards and Technology	NIST
National Technical Information Service	NTIS
National Telecommunications and Information Administration	NTIA

F. Printing

- 1) The following instructions are included on the CD-10:
 - i) Three-hole punch;
 - ii) 3/8" drill to be used;
 - iii) 4-1/4" center to center;
 - iv) To be centered on page;
 - v) Outside holes to be 1/4 inches from center of hole to edge of paper;
 - vi) Do not staple; and
 - vii) Print on both sides.
- 2) A sample for punching is normally attached to the CD-10.

G. Electronic Submission

- 1) The Office of Budget may provide electronic formats for operating unit use in submitting budget exhibits. Additionally, specific direction may be provided for operating units to submit their entire justifications electronically.

SECTION 18 – PERFORMANCE AND ACCOUNTABILITY REPORT

- A. The Office of Budget oversees the development of the Performance and Accountability Report (PAR) and the five-year Departmental Strategic Plan. These documents are required by the Government Performance and Results Act (GPRA).
- B. The Reports Consolidation Act of 2000 requires the combining of the Department's Accountability Report with the Annual Program Performance Report. The Office of Budget (OB) coordinates this effort with the Office of Financial Management (OFM) and the Office of Management and Organization (OMO). OB completes the Performance Report section; OMO completes the Management Discussion and Analysis section; and OFM completes the Financial Report section. The operating units are informed of scheduled deadlines and requirements.
- C. In FY 2007, OMB initiated an alternative to the current PAR document and process, called the PAR pilot program. This program allows agencies to split the PAR into two separate documents, the Annual Financial Report (AFR) and the Annual Performance Report (APR). The deadline for the AFR is November 15 of each year. The APR accompanies the submission of the Congressional budget in early February. At this time, the Department of Commerce has elected to complete a standard PAR, however, it is open to selecting the split option in the future.
- D. The PAR is organized into the following five sections:
 - 1) Introduction
 - 2) Management Discussion and Analysis (MD&A)
 - 3) Performance
 - 4) Financial
 - 5) Appendices
- E. The introduction includes the following:
 - 1) The Department at a Glance: Summarizes the Department in terms history, mission, bureaus, strategic goals, location, employees, financial resources and internet Web site.
 - 2) Table of Contents
 - 3) Statement from the Secretary: Provides an overview of the 20PY performance from the Secretary.

- F. The MD&A is the most complicated of the five PAR sections and includes the following parts:
- 1) Mission and organization: States the Commerce mission statement and shows its current organizational structure.
 - 2) FY 20XX Performance and financial highlights: Summarizes the Department's performance and financial position in the form of text, tables and charts.
 - 3) The Department of Commerce Process for Strategic Planning and Performance reporting: Outlines the process the Department has taken in terms of reporting performance.
 - 4) Most Important Results: Summarizes the results of each of the Commerce Strategic Goals.
 - 5) Stakeholders and crosscutting programs: In tabular format, summarizes the other agencies that work with and have a stake in Commerce programs.
 - 6) The President's Management Agenda: Summarizes the current Commerce status for each of the major five parts of the President's Management Agenda.
 - 7) Management Controls: Outlines the status of various management controls in place at Commerce.
 - 8) Inspector General's statement of management controls: Summarizes the top ten management challenges the Department currently faces.
 - 9) Actions taken to address management challenges: Summarizes actions the bureaus have taken in response to these challenges.
 - 10) Program Assessment Rating Tool (PART) status: Summarizes how Commerce has performed historically in terms of the PART and presents the most recent results.
- G. The Office of Budget (OB) and the corresponding bureau representatives complete the performance section. This section serves as the base for the Annual Performance Report should the Department ever decide to split the PAR. The performance section is structured by the three Commerce strategic goals and one management integration goal. Within each strategic goal are either three (Strategic Goal 2) or four (Strategic goals 1 and 3) objectives. Strategic goals 1 and 2 and the management integration goal cover more than one bureau, while Strategic Goal 3 is strictly NOAA. Within each objective are performance outcomes. Within these performance outcomes are text and tables of a given fiscal year's performance focusing on a bureau's achievement of a set of targets related to performance measures. At

the end of each objective is a section for “strategies and future plans” and “challenges for the future.” In the case of NOAA, these strategies and challenges are summarized for the entire strategic goal.

- H. The financial section is completed entirely by the Office of Financial Management and would be the basis for the Annual Financial Report, should the Department ever decide to split the PAR. It includes the following sections:
1. Message from the Chief Financial Officer
 2. Financial Management and Analysis
 3. Debt Management
 4. Payment Practices
 5. Analysis of FY 20PY Financial Conditions and Results
 6. Limitations of the Financial Statements
 7. Principal Financial Statements
 - i. Consolidated Balance Sheets
 - ii. Consolidated Statements of Net Cost
 - iii. Consolidated Statements of Changes in Net Position
 - iv. Combined Statements of Budgetary Resources
 8. Notes to the Financial Statements
 9. Consolidating Balance Sheet
 10. Required Supplementary Information
 11. Requirement Supplementary Stewardship Information
 12. Independent Auditors’ Report
- I. The Appendix section consists of the following six appendices:

1. Appendix A: Performance and Resources Tables – Provides a history of the performance measures that appear in the current PAR, with at least six years of historical data. Between FY 2008 and FY 2011, the Department is transitioning to ten years of historical data by keeping prior years and adding the new data. Further, this appendix provides an explanation of why a current target was not met, along with a strategy of how that target may be met in the future. It does not include any information on performance measures that have been discontinued.
 2. Appendix B: Discontinued or Changed Performance Outcomes / Objectives and Measures – Shows any changes that have been made between the current year's PAR and the previous year's PAR regarding performance outcomes and measures.
 3. Appendix C: Performance Measures Definitions – Provides definitions of the current measures, including validation and verification information for the measures.
 4. Appendix D: Improper Payments Information Act (IPIA) Report Details – Provides mandatory summary information concerning IPIA information.
 5. Appendix E: Summary of Financial Audit and Management Assurances – Two tables provide summaries of both of these items.
 6. Appendix F: Glossary of key acronyms
- J. Electronic Submission - The Office of Budget provides electronic template formats for operating unit use in submitting annual performance plans and reports. Additionally, specific direction will be provided for operating units to submit their entire plans/reports electronically.

SECTION 19 – INTERNAL DEPARTMENT REVIEW

- A. The purposes of this phase of budget formulation are to refine operating unit budget and planning requests, to assist the Secretary and other Departmental officials in making critical judgments, and to produce realistic and sound decisions about the Department's Budget year plans and OMB budget and planning requests. Specifically, this phase is intended to:
- 1) provide an independent review of requests and performance plans , including consistency with guidance; handling of major issues; and technical factors such as the basis for estimated data, completeness of underlying planning efforts, pricing assumptions, and validity of requests for ATBs;
 - 2) help operating units refine and strengthen the arguments and justifications presented in budget submissions and performance plans;
 - 3) assist the Secretary and other Departmental officials in shaping the Department's budget, and future course, in light of major objectives and issues, the plans of individual operating units and program areas, and the overall budget and planning targets and guidelines set by the President; and
 - 4) produce realistic, sound decisions and supporting justifications through systematic discussion and negotiation of differences in positions, and summarization of various review materials to focus on critical Secretarial choices.
- B. The review of budget and planning requests is conducted between the receipt of budget and planning submissions and submission of the Departmental request to OMB.
- C. The Office of Budget reviews budget and planning requests with the objective of settling as many issues as possible and developing further analyses and documentation of issues warranting attention by higher levels of Departmental management. Program reviews are conducted by staff in either the Technology and Environment Programs (TEP) Division or the Trade and Information Programs (TIP) Division in association with staff from the Systems, Policy and Performance (SP&P) Division. A concurrent technical review (i.e., adjustments-to-base and conformance with technical guidance) is conducted by the Budget Coordination and Reports Division (BCRD). Specific areas of focus include:
- 1) clarifying information submitted in the requests;
 - 2) obtaining supplementary information where needed to understand fully the requests;
 - 3) evaluating agency rankings of changes for consistency with Departmental policy; and
 - 4) identifying policy issues that may need to be resolved at higher levels.

A. Programmatic Review

- 1) The Office of Budget furnishes operating unit budget officers with specific written questions and data requests that should be resolved before recommendations can be made to the Secretary. Budget officers consult with program staff, as appropriate, in completing written responses to all questions within the time schedules communicated by the Office of Budget analysts and memoranda from the Director, Office of Budget.
- 2) The written questions are supplemented by staff reviews. Staff reviews are meetings conducted at each agency between Office of Budget staff and operating unit program staff. Operating unit budget officers and budget staff should attend these meetings since they are responsible for assuring that all follow-up information requested is forwarded to the Office of Budget.
- 3) Departmental staff offices such as the Office of the Chief Information Officer or the Office of Financial Management may participate in staff reviews when the budget request includes significant changes in resource requirements in their areas of responsibility.
- 4) It is expected that the staff reviews will resolve most non-policy questions and will refine and clarify significant policy questions for review and decision-making at higher levels.
- 5) The Office of Budget prepares an analysis and evaluation of the budget and planning request, including unresolved questions, after completion of the staff reviews. This material is used as the basis for recommendations presented to the Chief Financial Officer / Assistant Secretary for Administration and then to the Deputy Secretary.

B. Technical Review

- 1) BCRD conducts a technical review of budget requests concurrently with the programmatic review. This review verifies requested ATBs, outlay estimates, employment estimates and long-range estimates for the four years following the budget year.
- 2) The ATB review is conducted with the primary goal of treating all such requests equitably among all operating units. Though the annual guidance provides extensive standardized methods and guidelines for developing ATB requests, other information becomes available after the requests are received. For example, appropriate adjustments for the Employees' Compensation Fund may not be available until mid-summer. Therefore, BCRD usually develops standardized allowances for such adjustments which are applied to all operating units. The Director of the Office of Budget reviews the staff recommendations for ATBs. After approval of the recommendations, BCRD sends an "Initial Allowance for 20BY Adjustments-to-Base" memorandum to each operating unit

budget officer. The memorandum explains the basis for any differences from the requested amounts and, in some cases, specifies what additional information would be needed to support an ATB appeal. Operating units submit written ATB appeals to BCRD. The results of this second review are communicated in a "Final Allowance for 20BY Adjustments-to-Base" memorandum. Amounts in the final allowance are not appealable.

- 3) BCRD also maintains control numbers during all phases of the budget process, including the Secretarial phase. Requests and recommendations are scored based on the guidelines shown in the [OMB Circular A-11](#).

SECTION 20 – SECRETARY’S INITIAL ALLOWANCE

- A. A series of steps occurs after the Office of Budget program analysts complete their review of budget proposals and before heads of operating units receive the Deputy Secretary's initial decisions. Each step is designed to assure that all proposals have been considered equitably and that any proposals included in the request to OMB are consistent with the Department's other programs and the Administration's overall policy guidance.
- B. The Director, Office of Budget, meets with the BCRD Chief to review staff recommendations for allowances for ATBs. ATB allowances are summarized for the Assistant Secretary. Higher level consideration of ATBS takes place on an exception basis. The Director also meets with each analyst to review each operating unit's budget and planning request and alternative courses of action developed by the analyst. The Office of Budget's proposals are then reviewed by the Assistant Secretary, who may request that additional information or supporting materials be prepared prior to formal budget meetings with the Deputy Secretary. The Assistant Secretary review provides additional insight into policy considerations related to budget proposals.
- C. The Office of Budget then prepares materials for formal budget and planning briefings for the Deputy Secretary and immediate staff. Each operating unit's budget and performance plan is considered in a separate meeting. Office of Budget staff present the budget request and associated performance plan, the operating unit's rationale for all proposed changes from the base, and alternative courses of action as approved by the Assistant Secretary. The Deputy Secretary makes budget and planning decisions after review of all requests and plans, and receipt of all responses to requests for additional information. The Deputy Secretary then meets with the Assistant Secretary and Office of Budget staff to communicate the initial decisions on all requests and plans. The Office of Budget prepares, for the Deputy Secretary's signature, a separate memorandum to each operating unit head that discusses each item where the Deputy Secretary's passback decisions differ from the request and provides a time frame for appeals. Supplemental tables attached to the memorandum detail the resource requirements included in the initial decisions. The formats for these supplemental tables vary from year to year, but are designed to assist operating units in tracking, by line item, the differences between their request and the initial allowance.

SECTION 21 – APPEALS AND FINAL SECRETARY DECISIONS

- A. Each memorandum from the Deputy Secretary to the head of the operating unit includes, with a discussion of the policy reasons for the initial decisions, a time schedule and format for submission of appeals. Appeals must be presented in writing and listed in priority order. The Office of Budget prepares a standard format for operating unit use in preparing these written appeals. It is recommended that all appeals for increases include offsets to the Secretary's allowance in order to accommodate items appealed. The Secretary and/or Deputy Secretary set aside a block of time (generally 3-5 days) during which appeal meetings can be scheduled. The appeal meetings usually begin 1-2 days after the memorandum is sent.

- B. Appeal materials are addressed to the Secretary and submitted to the Assistant Secretary in accordance with the schedule specified in the Deputy Secretary's memorandum. The Office of Budget gathers appeal materials and prepares summary analyses for the Assistant Secretary and the Deputy Secretary. The Assistant Secretary discusses appeals with the Deputy Secretary and/or the Secretary. When the final decisions are made, the Office of Budget prepares letters to each operating unit head for the Secretary's signature. Final decisions of the Secretary cannot be appealed.

SECTION 22 – CAPITAL ASSET PLAN AND BUSINESS CASE (EXHIBIT 300)

- A. For the Secretarial (and subsequent OMB) submission, appropriate IT staff must complete an Exhibit 300, Capital Asset Plan and Business Case for all new IT budget investments and modifications or enhancements to existing systems, above base funding. An Exhibit 300 is also required for major systems meeting the criteria defined by [OMB Circular A-11](#), Section 300, Planning, Budgeting, Acquisition, and Management of Capital Assets. The level of detail in the Exhibit 300 should be commensurate with the magnitude of the investment. All non-major projects must be described in an Exhibit 300-1, an abbreviated form of the Exhibit 300. For each initiative, also provide a brief, high-level Initiative Summary describing the initiative, the fiscal year budget increase, the life cycle cost, and the budget line(s) providing the funding. A template of the Initiative Summary appears at the end of this section. Initiative Summaries and Exhibit 300s for new initiatives and those with increases above base funding are required at the same time as the due date of the budget submission. Exhibit 300s for systems without funding increases and Exhibit 300-1s are required by August 1.
- B. IT initiatives must be a product of the operating unit’s capital planning and investment control (CPIC) process. As part of the overall budget submission, provide a description of the CPIC process used to evaluate and select this year’s investments. This description is due at the same time as the budget submission.
- C. Key areas of the Exhibit 300 business case:
- 1) Adequate resources should be dedicated to IT security to ensure that the operating unit’s system and data integrity and continuity of operations are at an acceptable level of risk. A description in the Exhibit 300 of the system’s security and identification of the percent of dollars spent on IT security is required as part of the budget submission.
 - 2) Enterprise Architecture also requires attention. Answer the architecture questions in the Exhibit 300 completely and carefully. Ensure that the architecture documentation is up-to-date. Revised architectures should be completed by August, in time for the September budget submission to OMB.
 - 3) In addition to identifying the sponsor and key members of the project team, the business case should discuss the project management structures, responsibilities, and personnel qualifications that will contribute to the successful achievement of cost, schedule, and performance goals.
 - 4) Solid performance measures are a core element in your justification.
- D. The CITRB will review selected IT investment proposals. It will notify project sponsors of

the proposals selected and those project sponsors should then prepare a briefing for the CITRB that addresses the criteria shown at the end of this section. The CITRB will evaluate initiatives and make recommendations to the Office of Budget during the budget review process. Presenters should provide a copy of the briefing charts to the CIO's office at least two days before the scheduled presentation. Office of the CIO staff, supported by acquisition, budget, and other staff, will evaluate initiatives that are not presented to the CITRB. Recommendations from this review process will also be provided to the Office of Budget. The CIO will notify project sponsors of the date for their briefings.

E. Evaluation Criteria

1) Basis for Investment

- i) Benefits, tangible and non-tangible, including return-on-investment and benefit-cost analysis.
- ii) Consideration of all the alternatives.
- iii) Support of the operating unit's (OU's) missions, goals, and information quality standards, including performance measures to assess the value of the investment.
- iv) High rating from internal OU evaluation process.

2) Project Management

- i) A description of how the project will be managed.
- ii) Project plans that cover the full life cycle of the project.
- iii) Performance measures to assess the management of the project, including measures of cost, schedule, and performance. A system to monitor these measures and report on deviations.
- iv) The experience of the OU with projects of this size, scope, and complexity.

3) Risk Management

- i) Key project risks and a description of how they will be mitigated, addressing the technical solution and use of a modular approach.
- ii) A description of how the acquisition strategy will manage procurement risks and address accessibility.
- iii) Support of the OU's information quality standards.

- iv) Use of commercial-off-the-shelf products.

F. IT Security

- 1) A description of how the project is compliant with the DOC and the OU's IT Security Program.
- 2) The baseline IT security management, operational, and technical controls necessary to protect the project investment, and the supporting risk and benefit/cost criteria for selection of the controls.
- 3) The status of continuity of operations planning, documentation, and testing.
- 4) A description of Critical Infrastructure Protection applicability to the project and the relative priority of the project investment to the Department's mission.

G. Architectural Compliance

- 1) Demonstration of how the project is compliant with the OU's IT architecture and technical reference model and the Office of Management and Budget's Business Reference Model.
- 2) Integration of this system with others at Commerce and Government-wide to promote efficiency, connectivity, and economies of scale.
- 3) Use of commercial-off-the-shelf products.
- 4) Support for the OU's information quality standards, including reproducibility.
- 5) Steps taken to address accessibility.
- 6) Actions taken to implement the Government Paperwork Elimination Act, if applicable.

H. Administration/Departmental Goals and Initiatives

- 1) Support for Administration, Office of Management and Budget, Secretarial, and/or Departmental initiatives, including E-Government.

OPERATING UNIT SUBMISSIONS TO THE OFFICE OF THE SECRETARY

VOLUME III (CHAPTER 3) - APPENDIX A

EXHIBITS

Assumptions shown in the exhibits are for illustrative purposes only.

APPENDIX A - EXHIBITS FOR SUBMISSION TO THE OFFICE OF THE SECRETARY*Assumptions shown in exhibits are for illustrative purposes only.*TABLE OF CONTENTS

<u>Exhibit Number</u>	<u>Page Number</u>
Exhibit 1	A - III (3) - 1
Exhibit 2	A - III (3) - 2
Exhibit 3	A - III (3) - 3
Exhibit 3A	A - III (3) - 5
Exhibit 4	A - III (3) - 10
Exhibit 5	A - III (3) - 11
Exhibit 6	A - III (3) - 12
Exhibit 7	A - III (3) - 13
Exhibit 8	A - III (3) - 14
Exhibit 9	A - III (3) - 15
Exhibit 10	A - III (3) - 24
Exhibit 11	A - III (3) - 26
Exhibit 12	A - III (3) - 27
Exhibit 13	A - III (3) - 28
Exhibit 14	A - III (3) - 34
Exhibit 15	A - III (3) - 35
Exhibit 16	A - III (3) - 41
Exhibit 17	A - III (3) - 43
Exhibit 18	A - III (3) - 50
Exhibit 19	A - III (3) - 51
Exhibit 20	A - III (3) - 52
Exhibit 22	A - III (3) - 53
Exhibit 29	A - III (3) - 54

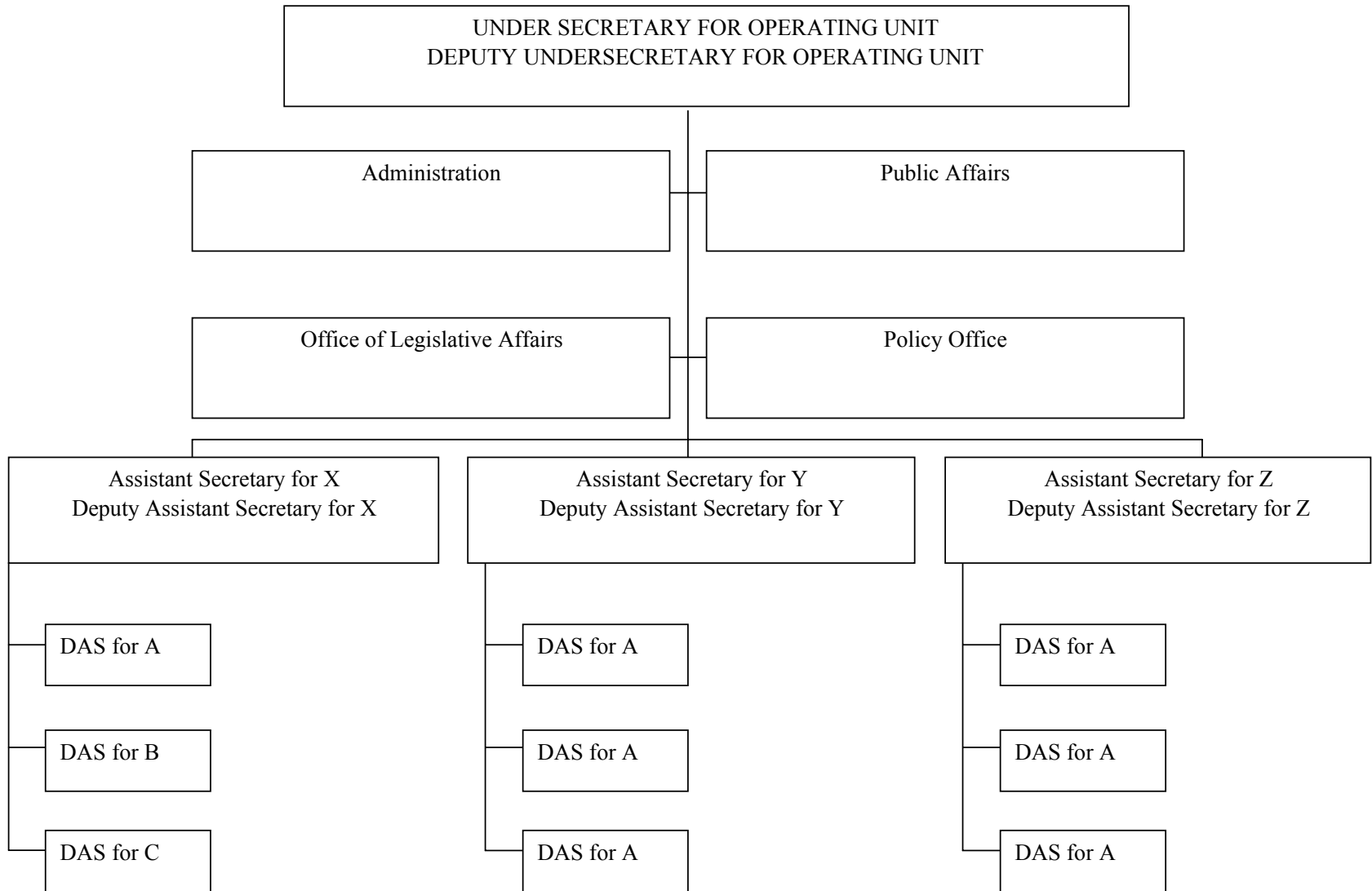
**DEPARTMENT OF COMMERCE
OPERATING UNIT OF COMMERCE
Budget Estimates, Fiscal Year 20BY
Secretarial Submission**

Table of Contents

<u>Exhibit Number</u>	<u>Exhibit</u>	<u>Page Number</u>
2	Organization Chart	OUOC-
3	Executive Summary	OUOC-
3A	Summary of Goals, Objectives and Performance Measures	OUOC-
3B	Resource Requirements to Support Departmental Strategic Plan	OUOC-
4	Priority Ranking of Program Changes	OUOC-
5	Summary of Resource Requirements: Direct Obligations	OUOC-
6	Summary of Reimbursable Obligations	OUOC-
7	Summary of Financing	OUOC-
8	Adjustments to Base	OUOC-
9	Justification of Adjustments to Base	OUOC-
10	Program and Performance: Direct Obligations	OUOC-
11	Program and Performance: Reimbursable Obligations	OUOC-
12	Justification of Program and Performance	OUOC-
13	Increases/Decreases/Changes for 20BY*	OUOC-
14	Program Change Personnel Detail*	OUOC-
15	Program Change Detail by Object Class*	OUOC-
16	Summary of Requirements by Object Class	OUOC-
17	Detailed Requirements by Object Class	OUOC-
18	Activity/Subactivity Change Crosswalk - Part I (CY)	OUOC-
19	Activity/Subactivity Change Crosswalk - Part II (BY)	OUOC-
20	Summary of Outyear Changes Requested	OUOC-
22	Outlay Analysis Table	OUOC-
29	Legislative Proposals	OUOC-

* If applicable.

Department of Commerce
Operating Unit of Commerce



Department of Commerce
Operating Unit of Commerce
Budget Estimates, Fiscal Year 20BY

General Statement
[DESCRIPTION]

The executive summary is a free-standing summary of the operating unit's budget request. It is a succinct, multi-purpose document. It provides a policy context. It proposes program objectives. It describes the impact of programs. It presents the budget estimates. The executive summary is suitable for separating from the rest of the budget and for informing others, quickly and clearly, about the operating unit's budget request. It includes the following

Goals of the Program

Statement of Objectives

This section must include the following:

- Summary of key things the unit wants to accomplish;
- Separation of high and low priority budget activities and anticipated outcomes of each; and,

Summary of Proposed Increases/Decreases

The operating unit provides a listing of proposed budget increases by naming each, identifying the BY FTE and dollar requests, and providing a brief paragraph explaining the purpose of each.

Summary of Performance and Resources

- Performance:
 - Measures of major performance "impacts" indicating the effects the program has on society.
 - Role is to illustrate the changes in program performance the operating unit expects to achieve in the budget period.
- Resources
 - Discusses program changes approved in the 20BY planning ceiling.
 - Summarizes resources needed to achieve forecasted performance levels.
 - Benchmark for the request is the preceding year's President's budget.

**Department of Commerce
Operating Unit of Commerce
FY 20BY Annual Performance Plan**

Table of Contents

- Section 1. Mission
- Section 2. Corresponding DOC Strategic Goal and Objective / Outcome
- Section 3. PART Summary
- Section 4. Priorities / Management Challenges
- Section 5. Target and Performance Summary Table (with brief measure descriptions) / Validation and Verification
- Section 6. FY 20BY Program Changes [None except anomalies for this year's budget]
- Section 7. Resource Requirements Summary

Mission

Your mission statement and discussion should be no more than a half page. Print your mission in black on white background.

Corresponding DOC Strategic Goal, Objective / Outcome

Be sure to state the corresponding DOC Strategic Goal and Objective

The Objectives or Outcomes must match the DOC FY 20[PY-1]-20[BY+2] Strategic Plan.

Include a description of the performance outcome [or objective for NOAA]. This description must discuss how your bureau's performance outcomes support the Department's goals consistent with the FY 20[PY-1]-20[BY+2] Strategic Plan.

PART Summary

Provide this information in the following table for PART reviews. Only include open recommendations. Below the table, please include a discussion of how PART and other performance information has influenced your FY 20BY request.

Program:	Year	Score	20PY Funding	20CY Funding Estimate	20BY Funding Request
Open recommendations: 1 2 3					

[Please include discussion here.]

Priorities / Management Challenges

You must provide a discussion as to how priorities and management challenges affect the proposed budget.

Targets and Performance Summary / FY 20BY Target Description / Measure Descriptions / Validation and Verification

Combine the Target and Performance Summary, FY 20BY Target Description, Measure Description, Relevant Program Increase(s), and Validation and Verification information the specific measure into the same table, one table per measure (there should be white space between measures, for readability). Simplify measure descriptions to no more than three sentences. Limit this table to GPRA measures. Non-GPRA measures such as internal measures may be included in the initiative text later in the Exhibit 13 performance table, if these support the initiative. Regarding V&V, you should be able to copy in the relevant line of information for each measure from last year’s section 9 table. Use the following table:

Outcome 1 – [NAME OF OUTCOME]							
Measure: [NAME OF MEASURE]		FY 20[PY-3] Actual	FY 20[PY-2] Actual	FY 20[PY-1] Actual	FY 20PY Target	FY 20CY Target	FY 20BY Target
Description: [Please keep your measure description to a short paragraph.]							
Comments on Changes to Targets: [Include any information on why you are changing your FY 20PY or FY 20CY targets here.]							
Relevant Program Change(s):	Title:						Exhibit 13 Page no:
	[Enter the Title of the Program Change here.]						[Enter the page no. of the program change here.]
Validation and Verification							
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken		

Performance tables in Exhibit 13 (The Increase / Decrease exhibit) should include the measure number and APP (Exhibit 3A) page number when described in Exhibit 13. Describe Non-GPRA measures in Exhibit 13 only. NOTE: NOAA presents this information in Exhibit 12A.

Actual data for FY 20[PY-3] to FY 20[PY-1] should match that in the FY 20[PY-1] PAR. If it does not, an explanation is mandatory. For the congressional submission, please use the FY 20PY actuals (as reported for the FY 20PY PAR).

FY 20BY Program Changes

It is okay to note that there is a relevant non-GPRA (internal) measure(s), however, do not describe it (them) in the APP section as if it were a GPRA measure. Move descriptions of non-GPRA (internal) measures to exhibit 13 as shown below.

List program changes in the order that they appear in the budget (exhibit 13). Replace the “GPRA outcome” column with the APP page number in the measure description. See

	Accompanying GPRA		Base		Increase/Decrease		Page of Exhibit
	APP Page no.	Performance Measure no.	FTE	Amount	FTE	Amount	13 Discussion
Program Change:							

Exhibit 13:

The performance tables included in Exhibit 13 should have the following information:

Measure Name, Number, APP Page [IF IT IS A GPRA MEASURE CITE THE MEASURE NUMBER AND THE APP PAGE NUMBER]		FY 20PY Target	FY 20CY Target	FY 20BY Target	FY 20[BY+1] Target	FY 20[BY+2] Target	FY 20[BY+3] Target
	With Increase						
	Without Increase						
Description [ONLY INCLUDE IF THIS IS NOT A GPRA MEASURE. DO NOT FILL IN THIS SECTION FOR A GPRA MEASURE, WHICH WOULD BE DESCRIBED IN THE APP]							

Resource Requirements Table

	FY 20[PY-3] Actual	FY 20[PY-2] Actual	FY 20[PY-1] Actual	FY 20PY Estimate	FY 20CY Estimate	FY 20BY Base	Increase/ Decrease	FY 20BY Request
Performance Outcome 1: (title)								
List programs or line items (whichever applicable)								
Performance Outcome 2: (title)								
List programs or line items (whichever applicable)								

Grand Total								
Total Funding								
Direct								
Reimbursable								
IT Funding								
FTE								

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
PRIORITY RANKING OF 20BY PROGRAM CHANGES
 (Dollar amounts in thousands)

Rank	Page No.	Activity/Subactivity	Item	FTE	Direct Oblig.	Outlay
1	OUOC -	Business Development	Demonstration Projects	24	17,703	8,852
2	OUOC -	Program Management	Research & Innovation	0	4,500	2,250
<hr/>						
Total, program changes				24	22,203	11,102

Department of Commerce Operating Unit of Commerce Salaries and Expenses SUMMARY OF RESOURCE REQUIREMENTS (Dollar amounts in thousands)																																																																																																																																																																																																																																																																											
Page No.																																																																																																																																																																																																																																																																											
			Positions	FTE	Budget Authority	Direct Obligations																																																																																																																																																																																																																																																																					
	President's Budget, 20CY		133	120	28,881	29,881																																																																																																																																																																																																																																																																					
	20BY Adjustments to base:																																																																																																																																																																																																																																																																										
	plus: Restoration of recoveries/unobligated balances used to offset 20CY appropriation/non-recurring			(1)	1,000																																																																																																																																																																																																																																																																						
	plus: Uncontrollable cost changes			1	452	452																																																																																																																																																																																																																																																																					
	less: Estimated recoveries, 20BY				(1,500)																																																																																																																																																																																																																																																																						
	20BY Base		133	120	28,833	30,333																																																																																																																																																																																																																																																																					
	plus: 20BY Program changes		32	24	22,203	22,203																																																																																																																																																																																																																																																																					
	20BY Estimate		165	144	51,036	52,536																																																																																																																																																																																																																																																																					
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2"></th> <th colspan="2">20PY Estimate</th> <th colspan="2">20CY President's Budget</th> <th colspan="2">20BY Base</th> <th colspan="2">20BY Estimate</th> <th colspan="2">Increase/(Decrease over 20BY Base)</th> </tr> <tr> <th colspan="2"></th> <th>Personnel</th> <th>Amount</th> <th>Personnel</th> <th>Amount</th> <th>Personnel</th> <th>Amount</th> <th>Personnel</th> <th>Amount</th> <th>Personnel</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td colspan="12">Comparison by activity/subactivity:</td> </tr> <tr> <td colspan="12">with totals by activity</td> </tr> <tr> <td>OUOC -</td> <td>Business Development</td> <td>Pos./BA</td> <td>51</td> <td>16,352</td> <td>51</td> <td>16,829</td> <td>51</td> <td>16,850</td> <td>83</td> <td>34,553</td> <td>32</td> <td>17,703</td> </tr> <tr> <td></td> <td></td> <td>FTE/Obl.</td> <td>46</td> <td>16,755</td> <td>46</td> <td>17,329</td> <td>46</td> <td>17,600</td> <td>70</td> <td>35,303</td> <td>24</td> <td>17,703</td> </tr> <tr> <td>OUOC -</td> <td>Program Management</td> <td>Pos./BA</td> <td>82</td> <td>10,902</td> <td>82</td> <td>12,052</td> <td>82</td> <td>11,983</td> <td>82</td> <td>16,483</td> <td>0</td> <td>4,500</td> </tr> <tr> <td></td> <td></td> <td>FTE/Obl.</td> <td>74</td> <td>11,170</td> <td>74</td> <td>12,552</td> <td>74</td> <td>12,733</td> <td>74</td> <td>17,233</td> <td>0</td> <td>4,500</td> </tr> <tr> <td></td> <td>Total</td> <td>Pos./BA</td> <td>133</td> <td>27,254</td> <td>133</td> <td>28,881</td> <td>133</td> <td>28,833</td> <td>165</td> <td>51,036</td> <td>32</td> <td>22,203</td> </tr> <tr> <td></td> <td></td> <td>FTE/Obl.</td> <td>120</td> <td>27,925</td> <td>120</td> <td>29,881</td> <td>120</td> <td>30,333</td> <td>144</td> <td>52,536</td> <td>24</td> <td>22,203</td> </tr> <tr> <td></td> <td colspan="2">Adjustments for:</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td colspan="2"> Recoveries</td> <td></td> <td></td> <td></td> <td>(1,000)</td> <td>(1,500)</td> <td></td> <td>(1,500)</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td colspan="2"> Unobligated balance, start of year</td> <td></td> <td>(671)</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td colspan="2"> Unobligated balance transferred</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td colspan="2"> Unobligated balance, end of year</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td colspan="2"> Unobligated balance expiring</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td colspan="2">Financing from transfers:</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td colspan="2"> Transfer from other accounts (-)</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td colspan="2"> Transfer to other accounts (+)</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td colspan="2">Appropriation</td> <td></td> <td>27,254</td> <td></td> <td>28,881</td> <td></td> <td>28,833</td> <td></td> <td>51,036</td> <td></td> <td>22,203</td> </tr> </tbody> </table>													20PY Estimate		20CY President's Budget		20BY Base		20BY Estimate		Increase/(Decrease over 20BY Base)				Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Comparison by activity/subactivity:												with totals by activity												OUOC -	Business Development	Pos./BA	51	16,352	51	16,829	51	16,850	83	34,553	32	17,703			FTE/Obl.	46	16,755	46	17,329	46	17,600	70	35,303	24	17,703	OUOC -	Program Management	Pos./BA	82	10,902	82	12,052	82	11,983	82	16,483	0	4,500			FTE/Obl.	74	11,170	74	12,552	74	12,733	74	17,233	0	4,500		Total	Pos./BA	133	27,254	133	28,881	133	28,833	165	51,036	32	22,203			FTE/Obl.	120	27,925	120	29,881	120	30,333	144	52,536	24	22,203		Adjustments for:													Recoveries					(1,000)	(1,500)		(1,500)					Unobligated balance, start of year			(671)										Unobligated balance transferred													Unobligated balance, end of year													Unobligated balance expiring													Financing from transfers:													Transfer from other accounts (-)													Transfer to other accounts (+)													Appropriation			27,254		28,881		28,833		51,036		22,203
		20PY Estimate		20CY President's Budget		20BY Base		20BY Estimate		Increase/(Decrease over 20BY Base)																																																																																																																																																																																																																																																																	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount																																																																																																																																																																																																																																																																
Comparison by activity/subactivity:																																																																																																																																																																																																																																																																											
with totals by activity																																																																																																																																																																																																																																																																											
OUOC -	Business Development	Pos./BA	51	16,352	51	16,829	51	16,850	83	34,553	32	17,703																																																																																																																																																																																																																																																															
		FTE/Obl.	46	16,755	46	17,329	46	17,600	70	35,303	24	17,703																																																																																																																																																																																																																																																															
OUOC -	Program Management	Pos./BA	82	10,902	82	12,052	82	11,983	82	16,483	0	4,500																																																																																																																																																																																																																																																															
		FTE/Obl.	74	11,170	74	12,552	74	12,733	74	17,233	0	4,500																																																																																																																																																																																																																																																															
	Total	Pos./BA	133	27,254	133	28,881	133	28,833	165	51,036	32	22,203																																																																																																																																																																																																																																																															
		FTE/Obl.	120	27,925	120	29,881	120	30,333	144	52,536	24	22,203																																																																																																																																																																																																																																																															
	Adjustments for:																																																																																																																																																																																																																																																																										
	Recoveries					(1,000)	(1,500)		(1,500)																																																																																																																																																																																																																																																																		
	Unobligated balance, start of year			(671)																																																																																																																																																																																																																																																																							
	Unobligated balance transferred																																																																																																																																																																																																																																																																										
	Unobligated balance, end of year																																																																																																																																																																																																																																																																										
	Unobligated balance expiring																																																																																																																																																																																																																																																																										
	Financing from transfers:																																																																																																																																																																																																																																																																										
	Transfer from other accounts (-)																																																																																																																																																																																																																																																																										
	Transfer to other accounts (+)																																																																																																																																																																																																																																																																										
	Appropriation			27,254		28,881		28,833		51,036		22,203																																																																																																																																																																																																																																																															

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
SUMMARY OF REIMBURSABLE OBLIGATIONS
 (Dollar amounts in thousands)

Comparison by activity:	20PY		20CY		20BY		20BY		Increase/ (Decrease)	
	Estimate		President's Budget		Base		Estimate			
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Business Development	0	475	0	475	0	475	0	475	0	0
Total	0	475	0	475	0	475	0	475	0	0

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
SUMMARY OF FINANCING
(Dollar amounts in thousands)

	20PY Estimate	20CY President's Budget	20BY Base	20BY Estimate	Increase/ Decrease/ over 20BY Base
Total Obligations	28,400	30,356	30,808	53,011	22,203
Offsetting collections from:					
Federal funds	(475)	(475)	(475)	(475)	0
Trust funds	0	0	0	0	0
Non-Federal sources	0	0	0	0	0
Recoveries	0	(1,000)	(1,500)	(1,500)	0
Unobligated balance, start of year	(671)	0	0	0	0
Unobligated balance transferred	0	0	0	0	0
Unobligated balance, end of year	0	0	0	0	0
Unobligated balance expiring	0	0	0	0	0
Budget Authority	27,254	28,881	28,833	51,036	22,203
Financing:					
Transfer from other accounts (-)	0	0	0	0	
Transfer to other accounts (+)	0	0	0	0	
Appropriation	27,254	28,881	28,833	51,036	22,203

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
ADJUSTMENTS TO BASE
(Dollar amounts in thousands)

	<u>FTE</u>	<u>Amount</u>
Transfers of Estimates	0	0
Adjustment	(1)	943
Financing		(1,500)
Other Changes:		
20CY Pay raise		71
20BY Pay raise	0	223
Full-year cost in 20BY of positions financed for part-year in 20CY	1	57
Within-grade increases		32
Change in compensable days		0
Civil Service Retirement System (CSRS)		(62)
Federal Employees Retirement System (FERS)		6
Thrift Savings Plan		1
Federal Insurance Contribution Act (FICA) - OASDI		6
Health insurance		39
Employees Compensation Fund		0
Travel:		
Mileage		2
Per diem		0
Rental payments to GSA		47
Postage		0
Printing and reproduction		2
NARA Storage & Maintenance		0
Other services:		
Working Capital Fund		0
CAMS		0
Grants		0
General Pricing Level Adjustment		85
Subtotal, other changes	1	509
Total, adjustments to base	0	(48)

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
JUSTIFICATION OF ADJUSTMENTS TO BASE
 (Dollar amounts in thousands)

		FTE		Amount
<u>Transfer</u>				(1) (31)
<i>Pursuant to a memorandum of understanding dated January 2, 20PY, one FTE and \$31,000 will be transferred to Salaries and expenses, General Administration, to provide support for the financial management system.</i>				
<u>Adjustment</u>				(1) 943
Restoration of recoveries used to offset 20CY appropriation				
In 20CY, the budget authority was reduced by \$1,000,000 based on offsets from anticipated recoveries of prior year obligations in FY 20CY. This ATB would restore the reduction in FY 20BY, maintaining the approved program level.				
	0		1,000	
Non-recurring funds from FY 20CY data processing activities Funds of \$57,000 requested for 20CY data processing activities will not be required in 20BY.				
	(1)		(57)	
<u>Financing</u>				0 (1,500)
In 20BY, this bureau expects to realize recoveries of prior year obligations of \$1,500,000. This amount will be used to offset the budget authority in 20BY.				

	FTE	Amount
Other Changes:		
<u>Pay Raises</u>		294
Full-year cost of 20CY pay increase and related costs:		
The 20CY President's budget assumes a pay raise of 3.6% to be effective January 1, 20CY.		
Total cost in 20BY of 20CY pay increase		285,000
Less amount funded in 20CY		<u>(214,000)</u>
Amount requested in 20BY to provide full-year cost of 20CY pay increase		71,000
20BY pay increase and related costs:		
A general pay raise of 3.9% is assumed to be effective January 1, 20BY.		
Total cost in 20BY of pay increase		222,000
Payment to Working Capital Fund		<u>1,000</u>
Total, adjustment for 20BY pay increase		223,000
<u>Full-year cost in 20BY of positions financed for part-year in 20CY</u>	1	57
An increase of \$57,189 is required to fund the full-year cost in 20BY of positions financed for part-year in 20CY. The computation follows:		
Annual salary of new positions in 20CY	4	218,428
Less 5 percent lapse		<u>(10,921)</u>
Full-year cost of personnel compensation	4	207,507
Less personnel compensation in 20BY	(3)	<u>(163,821)</u>
Cost of personnel compensation in 20BY	1	43,686
Adjustment for 20BY pay raise (.047 x .75 x 43,686)		<u>1,540</u>
Add'l amount required for personnel compensation		45,226
Benefits		<u>11,963</u>
Total adjustment-to-base	1	57,189

	FTE	Amount
<u>Within-grade step increases</u>		32
An increase of \$31,975 is required to cover the cost of within-grade step increases.		
Estimated number of within-grade step increases	35	
Step increases not earned due to turnover (17.8% x 35)	6	
Average step above step 1 per separation	3	
Average cost per within-grade step increase	1,664	
Gross cost of scheduled step increases (\$1,664 x 35)	58,240	
Less savings due to separations (\$1,664 x 6 x 3)	<u>(29,952)</u>	
Subtotal, personnel compensation	28,288	
Benefits	<u>3,687</u>	
Total adjustment-to-base		<u>31,975</u>

Changes in compensable days

29

The increased cost of one more compensable day in 20BY compared to 20CY is calculated by dividing the 20CY estimated personnel compensation (\$6,708,000) and applicable benefits (\$791,000) by 261 compensable days. The cost increase of one compensable day is \$28,732.

	FTE	Amount
<u>Civil Service Retirement System (CSRS)</u>		
<p>The number of employees covered by the Civil Service Retirement System (CSRS) continues to drop as positions become vacant and are filled by employees who are covered by the Federal Employees Retirement System (FERS). The estimated percentage of payroll for employees covered by CSRS will drop from 62.5% in 20CY to 61.7% in 20BY for regular and from 67.2% in 20CY to 59.1% in 20BY for foreign service employees and from 90.9% in 20CY to 82.8% in 20BY for law enforcement employees. Contribution rates will increase/decrease or remain the same.</p>		
<i>Regular:</i>		
20BY \$6,708,000 x .617 x .0713		295,099
20CY \$6,708,000 x .625 x .0851		356,782
		(61,683)
 <i>Foreign Service:</i>		
20BY \$ 1,000,000 x .591 x .075		44,325
20CY \$ 1,000,000 x .672 x .075		50,400
		(6,075)
 <i>Law enforcement:</i>		
20BY \$ 2,000,000 x .828 x .075		124,200
20CY \$ 2,000,000 x .909 x .075		136,350
		(12,150)
 Total adjustment-to-base		 (61,683)

FTE Amount
 6

Federal Employee Retirement System (FERS)

The number of employees covered by FERS continues to rise as employees covered by CSRS leave and are replaced by employees covered by FERS. The estimated percentage of payroll for employees covered by FERS will rise from 37.5% in 20CY to 38.3% in 20BY for regular and 32.8% in 20CY to 40.9% in 20BY for foreign service employees. The estimated percentage of payroll for law enforcement employees covered by FERS will increase from 9.1% in 20CY to 17.2% in 20BY. The contribution rate for regular employees will increase/decrease or remain the same. For foreign service employees, the contribution rate will increase from 21.86% to 25.19% in 20BY. The contribution rate for law enforcement employees will remain the same.

Regular:

20BY \$6,708,000 x .383 x .107	274,901
20CY \$6,708,000 x .375 x .107	269,159
	<hr/> 5,742

Foreign Service:

20BY \$ 1,000,000 x .409 x .2519	103,027
20CY \$ 1,000,000 x .328 x .2186	71,701
	<hr/> 31,326

Law enforcement:

20BY \$ 2,000,000 x .172 x .2730	93,912
20CY \$ 2,000,000 x .091 x .2730	49,686
	<hr/> 44,226

Total adjustment-to-base	5,742
--------------------------	-------

	FTE	Amount
<u>Thrift Savings Plan</u>		
The cost of agency contributions to the Thrift Savings Plan will also rise as FERS participation increases. The contribution rate is expected to remain 2%.		
Regular:		
20BY \$6,708,000 x .383 x .02	51,383	
20CY \$6,708,000 x .375 x .02	50,310	
	1,073	
Law enforcement:		
20BY \$ 2,000,000 x .172 x .02	6,880	
20CY \$ 2,000,000 x .091 x .02	3,640	
	3,240	
<i>Foreign Service:</i>		
20BY \$ 1,000,000 x .409 x .02	8,180	
20CY \$ 1,000,000 x .328 x .02	6,560	
	1,620	
 Total adjustment-to-base	 1,073	

	FTE	Amount																																				
<u>Federal Insurance Contribution Act (FICA)</u>																																						
<p>As the percentage of payroll covered by FERS rises, the cost of OASDI contributions will increase. In addition, the maximum salary subject to OASDI tax will rise from \$82,800 in 20CY to \$87,750 in 20BY. The OASDI tax rate will remain 6.2% in 20BY.</p> <p>Regular:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">20BY \$6,708,000 x .383 x .937 x .062</td> <td style="text-align: right; width: 10%;">149,253</td> <td style="width: 10%;"></td> </tr> <tr> <td>20CY \$6,708,000 x .375 x .918 x .062</td> <td style="text-align: right;">143,172</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">6,081</td> <td></td> </tr> </table> <p>Other Salaries:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">20BY \$45,000 x .383 x .937 x .062</td> <td style="text-align: right; width: 10%;">1,001</td> <td style="width: 10%;"></td> </tr> <tr> <td>20CY \$45,000 x .375 x .918 x .062</td> <td style="text-align: right;">960</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">41</td> <td></td> </tr> </table> <p><i>Foreign Service:</i></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">20BY \$ 1,000,000 x .409 x .859 x .062</td> <td style="text-align: right; width: 10%;">21,783</td> <td style="width: 10%;"></td> </tr> <tr> <td>20CY \$ 1,000,000 x .328 x .877 x .062</td> <td style="text-align: right;">17,835</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">3,948</td> <td></td> </tr> </table> <p><i>Law enforcement:</i></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">20BY \$ 2,000,000 x .172 x .860 x .062</td> <td style="text-align: right; width: 10%;">18,342</td> <td style="width: 10%;"></td> </tr> <tr> <td>20CY \$ 2,000,000 x .091 x .890 x .062</td> <td style="text-align: right;">10,043</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">8,299</td> <td></td> </tr> </table>			20BY \$6,708,000 x .383 x .937 x .062	149,253		20CY \$6,708,000 x .375 x .918 x .062	143,172			6,081		20BY \$45,000 x .383 x .937 x .062	1,001		20CY \$45,000 x .375 x .918 x .062	960			41		20BY \$ 1,000,000 x .409 x .859 x .062	21,783		20CY \$ 1,000,000 x .328 x .877 x .062	17,835			3,948		20BY \$ 2,000,000 x .172 x .860 x .062	18,342		20CY \$ 2,000,000 x .091 x .890 x .062	10,043			8,299	
20BY \$6,708,000 x .383 x .937 x .062	149,253																																					
20CY \$6,708,000 x .375 x .918 x .062	143,172																																					
	6,081																																					
20BY \$45,000 x .383 x .937 x .062	1,001																																					
20CY \$45,000 x .375 x .918 x .062	960																																					
	41																																					
20BY \$ 1,000,000 x .409 x .859 x .062	21,783																																					
20CY \$ 1,000,000 x .328 x .877 x .062	17,835																																					
	3,948																																					
20BY \$ 2,000,000 x .172 x .860 x .062	18,342																																					
20CY \$ 2,000,000 x .091 x .890 x .062	10,043																																					
	8,299																																					
Total adjustment-to-base	6,122																																					
<u>Health Insurance</u>																																						
<p>Effective January 20PY, this bureau's contribution to Federal employees' health insurance premiums increased by 10.7%. Applied against the 20CY estimate of \$366,000, the additional amount required is \$39,162.</p>																																						

	FTE	Amount
<u>Mileage rate increase</u>		2
<p>Effective September 20PY, the General Services Administration raised the mileage rate from 32.5 cents to 34.5 cents per mile, a 6.2% rate increase. This percentage was applied to the 20CY estimate of \$31,000 to arrive at an increase of \$1,922.</p>		
<u>Per diem increase</u>		5
<p>Effective January 20PY, the General Services Administration raised per diem rates. This increase results in a 3.9% increase to this bureau. This percentage was applied to the 20CY estimate of \$117,000 to arrive at an increase of \$4,563.</p>		
<u>Rental Payments to GSA</u>		47
<p>GSA rates are projected to increase 2.9% in 20BY. This percentage was applied to the 20CY estimate of \$1,618,000 to arrive at an increase of \$46,922.</p>		
<u>Postage</u>		14
<p>Effective February 20PY, the Postal Service implemented a rate increase of 16%. This percentage was applied to the 20CY estimate of \$85,000 to arrive at an increase of \$13,600.</p>		
<u>GPO Printing</u>		2
<p>GPO has provided an estimated rate increase of 1.5%. This percentage was applied to the 20CY estimate of \$108,000 to arrive at an increase of \$1,620.</p>		

	FTE	Amount
<u>General Pricing Level Adjustment</u>		85
<p>This request applies OMB economic assumptions for FY 20BY to object classes where the prices the government pays are established through the market system. Factors are applied to transportation of things, (\$0), rental payments to others (\$0), communications, utilities and miscellaneous charges (excluding postage) (\$1,314); other contractual services (\$77,184); supplies and materials (\$1,476) and equipment (\$4,914).</p>		
Subtotal, Other Changes	1	509
Total, Adjustments to Base	0	(48)

* Italicized are shown for illustrative purposes and are not included in the handbook exhibit totals.

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: Program Management
Subactivity: Program Management

Line Item		20PY		20CY		20BY		20BY		Increase/	
		Estimate		President's Budget		Base		Estimate		(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Advocacy, Research & Information	Pos./BA	82	10,902	82	12,052	82	11,983	82	16,483	0	4,500
	FTE/Obl	74	11,170	74	12,552	74	12,733	74	17,233	0	4,500
Total	Pos./BA	82	10,902	82	12,052	82	11,983	82	16,483	0	4,500
	FTE/Obl	74	11,170	74	12,552	74	12,733	74	17,233	0	4,500

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: Business Development
Subactivity: Business Development

Line Item		20PY		20CY		20BY		20BY		Increase/	
		Estimate		President's		Base		Estimate		(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Advocacy, Research & Information	Pos./BA	51	16,352	51	16,829	51	16,850	83	34,553	32	17,703
	FTE/Obl	46	16,755	46	17,329	46	17,600	70	35,303	24	17,703
Total	Pos./BA	51	16,352	51	16,829	51	16,850	83	34,553	32	17,703
	FTE/Obl	46	16,755	46	17,329	46	17,600	70	35,303	24	17,703

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
PROGRAM AND PERFORMANCE: REIMBURSABLE OBLIGATIONS
(Dollar amounts in thousands)

Activity: Business Development
Subactivity: Business Development

Line Item		20PY	20CY	20BY	20BY	Increase/
		Estimate	President's	Base	Estimate	(Decrease)
		FTE Amount	FTE Amount	FTE Amount	FTE Amount	FTE Amount
Business Development	Pos./BA	475	475	475	475	
	FTE/Obl					
Total	Pos./BA	475	475	475	475	
	FTE/Obl					

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: Business Development
Subactivity: Business Development

Goal Statement

The goal of Policy Formulation and Direction is.....

Base Program

Statement of Operating Objectives

Explanation and Justification

Proposed Legislation (if applicable)

- Description of new legislation
- Justification of new legislation
- Requirements for extension of existing legislation
- Legislative proposals for lapse or repeal of existing legislation

Measures of Performance

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
INCREASES FOR 20BY*
(Dollar amounts in thousands)

	20BY Base		20BY Estimate		Increase (Decrease)		
	Personnel	Amount	Personnel	Amount	Personnel	Amount	
Demonstration Projects	Pos./BA	0	0	0	10,300	0	10,300
	FTE/Obl.	0	0	0	10,300	0	10,300

Using Demonstration projects (0 FTE, +\$10,300) -- This request will.....
by providing....

	20BY	20BY+1	20BY+2	20BY+3	20BY+4
Performance Measures:					
Number of demonstration projects	20	25	30	35	40
Number of briefings	12	14	16	18	20
Cost and Benefits:					
Direct Obligations:					
Uncapitalized	10,300	10,350	10,400	10,450	10,500
Budget Authority	10,300	10,350	10,400	10,450	10,500
Outlays	5,150	5,175	5,200	5,225	5,250
FTE	0	0	0	0	0
Benefits, in dollars	15,300	15,350	15,400	15,450	15,500

* Heading should read "Increase(s)," "Decrease(s)," or "Change(s)," as appropriate.

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
INCREASES FOR 20BY*
(Dollar amounts in thousands)

		20BY Base		20BY Estimate		Increase (Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
	Pos./BA	49	15,074	81	19,227	32	4,153
New Regional & District Centers	FTE/Obl.	44	15,824	68	19,977	24	4,153

Expanding regional and district centers (24 FTE, +\$4,153) -- This request will.....
by providing....

	20BY	20BY+1	20BY+2	20BY+3	20BY+4
Performance Measures:					
Number of networking conferences	35	40	45	50	55
Number of minority business counseled	350	400	450	500	550
Cost and Benefits:					
Direct Obligations:					
Uncapitalized	4,153	4,653	5,153	5,653	6,153
Budget Authority	4,153	4,653	5,153	5,653	6,153
Outlays	2,077	2,327	2,577	2,827	3,077
FTE	24	26	28	30	32
Benefits, in dollars	4,203	4,703	5,203	5,703	6,203

* Heading should read "Increase(s)," "Decrease(s)," or "Change(s)," as appropriate.

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
INCREASES FOR 20BY*
(Dollar amounts in thousands)

		20BY Base		20BY Estimate		Increase (Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Minority Business Opportunity	Pos./BA	2	1,776	2	3,526	0	1,750
Committees	FTE/Obl.	2	1,776	2	3,526	0	1,750

Increasing the network of Minority Business Opportunity Committees (0 FTE, +\$1,750) -- This request will.....
by providing....

	20BY	20BY+1	20BY+2	20BY+3	20BY+4
Performance Measures:					
Dollar value of contracts	300,000	302,000	304,000	306,000	308,000
Number of educational & training seminars	28	30	32	34	36
Cost and Benefits:					
Direct Obligations:					
Uncapitalized	1,750	1,800	1,850	1,900	1,950
Budget Authority	1,750	1,800	1,850	1,900	1,950
Outlays	875	900	925	950	975
FTE	0	0	0	0	0
Benefits, in dollars	4,203	4,253	4,303	4,353	4,403

* Heading should read "Increase(s)," "Decrease(s)," or "Change(s)," as appropriate.

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
INCREASES FOR 20BY*
(Dollar amounts in thousands)

	20BY Base		20BY Estimate		Increase (Decrease)		
	Personnel	Amount	Personnel	Amount	Personnel	Amount	
	Pos./BA	0	0	0	1,500	0	1,500
Southern Growth Strategies	FTE/Obl.	0	0	0	1,500	0	1,500

To fund projects in the promotion of southern growth strategies (0 FTE, +\$1,500) -- This request will.....
by providing....

	20BY	20BY+1	20BY+2	20BY+3	20BY+4
Performance Measures:					
Dollar value of contracts	20,000	22,000	24,000	26,000	28,000
Number of businesses assisted	650	655	660	665	670
Cost and Benefits:					
Direct Obligations:					
Uncapitalized	1,500	1,600	1,700	1,800	1,900
Budget Authority	1,500	1,600	1,700	1,800	1,900
Outlays	750	800	850	900	950
FTE	0	0	0	0	0
Benefits, in dollars	3,000	3,100	3,200	3,300	3,400

* Heading should read "Increase(s)," "Decrease(s)," or "Change(s)," as appropriate.

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
INCREASES FOR 20BY*
(Dollar amounts in thousands)

		20BY Base		20BY Estimate		Increase (Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Research & Innovation	Pos./BA	41	5,242	41	8,242	0	3,000
	FTE/Obl.	37	5,617	37	8,617	0	3,000

To fund research and innovation strategies (0 FTE, +\$3,000) -- This request will.....
by providing....

	20BY	20BY+1	20BY+2	20BY+3	20BY+4
Performance Measures:					
Number of research studies	6	12	18	24	30
Number of dissertation fellowship	7	14	21	28	35
Cost and Benefits:					
Direct Obligations:					
Uncapitalized	3,000	6,000	9,000	12,000	15,000
Budget Authority	3,000	6,000	9,000	12,000	15,000
Outlays	1,500	3,000	4,500	6,000	7,500
FTE	0	0	0	0	0
Benefits, in dollars	3,500	6,500	9,500	12,500	15,500

* Heading should read "Increase(s)," "Decrease(s)," or "Change(s)," as appropriate.

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
INCREASES FOR 20BY*
(Dollar amounts in thousands)

		20BY Base		20BY Estimate		Increase (Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
	Pos./BA	41	6,741	41	8,241	0	1,500
Education, Outreach & Leadership	FTE/Obl.	37	7,116	37	8,616	0	1,500

To fund public relations activities (0 FTE, +\$1,500) -- This request will.....
by providing....

	20BY	20BY+1	20BY+2	20BY+3	20BY+4
Performance Measures:					
Number of exhibits	33	66	99	132	165
Number of briefings	20	40	60	80	100
Cost and Benefits:					
Direct Obligations:					
Uncapitalized	1,500	2,000	2,500	3,000	3,500
Budget Authority	1,500	2,000	2,500	3,000	3,500
Outlays	750	1,000	1,250	1,500	1,750
FTE	0	0	0	0	0
Benefits, in dollars	3,000	4,000	5,000	6,000	7,000

* Heading should read "Increase(s)," "Decrease(s)," or "Change(s)," as appropriate.

**Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
PROGRAM CHANGE PERSONNEL DETAIL**

Activity: Business Development
Subactivity: Business Development
Program Change: New Regional & District Centers

<u>Title</u>	<u>Grade</u>	<u>Number</u>	<u>Annual Salary</u>	<u>Total Salaries</u>
Regional Director	15	2	87,864	175,728
Chief, Business Development Specialist	14	2	74,697	149,394
Business Development Specialist	12	16	53,156	850,496
Administrative Technician	7	2	29,966	59,932
Secretary	5	2	24,192	48,384
Office Automation Clerk	5	8	24,192	193,536
Total		<u>32</u>		<u>1,477,470</u>
Less lapse		(8)		<u>(369,368)</u>
Total full-time permanent (FTE)		<u>24</u>		<u>1,108,102</u>
20BY Pay Adjustment (3.9%)				<u>43,216</u>
Total				<u>1,151,318</u>

Personnel Data

Full-time Equivalent Employment				
Full-time permanent		24		
Other than full-time permanent		<u>0</u>		
Total		24		
Authorized Positions:				
Full-time permanent		32		
Other than full-time permanent		<u>0</u>		
Total		32		

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
PROGRAM CHANGE DETAIL BY OBJECT CLASS
 (Direct Obligations amounts in thousands)

Activity: Business Development
 Subactivity: Business Development

Object Class	20BY Increase/ (Decrease)
11.1 Full-time permanent (Compensation)	
11.3 Other than full-time permanent	
11.5 Other personnel compensation	
11.8 Special personnel services payments	
11.9 Total personnel compensation	0
12.1 Civilian personnel benefits	
13 Benefits for former personnel	
21 Travel and transportation of persons	
22 Transportation of things	
23 Rent, communications, and utilities	
23.1 Rental payments to GSA	
23.2 Rental payments to others	
23.3 Commun., util., and misc. charges	
24 Printing and reproduction	
25 Consulting and other services	
25.1 Consulting services	
25.2 Other services	10,300
25.3 Purchase of goods and services from Gov't accounts	
25.4 Operation of GOCOs	
25.5 Research and development contracts	
25.6 Medical care	
25.7 Operation and maintenance of equipment	
25.8 Subsistence and support of persons	
26 Supplies and materials	
31 Equipment	
32 Lands and structures	
33 Investments and loans	
41 Grants, subsidies and contributions	
42 Insurance claims and indemnities	
43 Interest and dividends	
44 Refunds	
99.9 Total obligations	10,300

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
PROGRAM CHANGE DETAIL BY OBJECT CLASS
 (Direct Obligations amounts in thousands)

Activity: Business Development
 Subactivity: Business Development

Object Class	20BY Increase/ (Decrease)
11.1 Full-time permanent (Compensation)	1,151
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.8 Special personnel services payments	
11.9 Total personnel compensation	1,151
12.1 Civilian personnel benefits	196
13 Benefits for former personnel	0
21 Travel and transportation of persons	450
22 Transportation of things	0
23 Rent, communications, and utilities	466
23.1 Rental payments to GSA	0
23.2 Rental payments to others	0
23.3 Commun., util., and misc. charges	60
24 Printing and reproduction	15
25 Consulting and other services	0
25.1 Consulting services	1,552
25.2 Other services	20
25.3 Purchase of goods and services from Gov't accounts	0
25.4 Operation of GOCOs	
25.5 Research and development contracts	
25.6 Medical care	
25.7 Operation and maintenance of equipment	30
25.8 Subsistence and support of persons	
26 Supplies and materials	63
31 Equipment	150
32 Lands and structures	
33 Investments and loans	
41 Grants, subsidies and contributions	
42 Insurance claims and indemnities	
43 Interest and dividends	
44 Refunds	
99.9 Total obligations	4,153

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
PROGRAM CHANGE DETAIL BY OBJECT CLASS
 (Direct Obligations amounts in thousands)

Activity: Business Development
 Subactivity: Business Development

Object Class	20BY Increase/ (Decrease)
11.1 Full-time permanent (Compensation)	
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.8 Special personnel services payments	
11.9 Total personnel compensation	0
12.1 Civilian personnel benefits	
13 Benefits for former personnel	0
21 Travel and transportation of persons	
22 Transportation of things	0
23 Rent, communications, and utilities	
23.1 Rental payments to GSA	0
23.2 Rental payments to others	0
23.3 Commun., util., and misc. charges	
24 Printing and reproduction	
25 Consulting and other services	0
25.1 Consulting services	
25.2 Other services	
25.3 Purchase of goods and services from Gov't accounts	0
25.4 Operation of GOCOs	
25.5 Research and development contracts	
25.6 Medical care	
25.7 Operation and maintenance of equipment	
25.8 Subsistence and support of persons	
26 Supplies and materials	
31 Equipment	
32 Lands and structures	
33 Investments and loans	
41 Grants, subsidies and contributions	1,750
42 Insurance claims and indemnities	
43 Interest and dividends	
44 Refunds	
99.9 Total obligations	1,750

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
PROGRAM CHANGE DETAIL BY OBJECT CLASS
 (Direct Obligations amounts in thousands)

Activity: Business Development
 Subactivity: Business Development

Object Class	20BY Increase/ (Decrease)
11.1 Full-time permanent (Compensation)	
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.8 Special personnel services payments	
11.9 Total personnel compensation	0
12.1 Civilian personnel benefits	
13 Benefits for former personnel	0
21 Travel and transportation of persons	
22 Transportation of things	0
23 Rent, communications, and utilities	
23.1 Rental payments to GSA	0
23.2 Rental payments to others	0
23.3 Commun., util., and misc. charges	
24 Printing and reproduction	
25 Consulting and other services	0
25.1 Consulting services	
25.2 Other services	1,500
25.3 Purchase of goods and services from Gov't accounts	0
25.4 Operation of GOCOs	
25.5 Research and development contracts	
25.6 Medical care	
25.7 Operation and maintenance of equipment	
25.8 Subsistence and support of persons	
26 Supplies and materials	
31 Equipment	
32 Lands and structures	
33 Investments and loans	
41 Grants, subsidies and contributions	
42 Insurance claims and indemnities	
43 Interest and dividends	
44 Refunds	
99.9 Total obligations	1,500

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
PROGRAM CHANGE DETAIL BY OBJECT CLASS
 (Direct Obligations amounts in thousands)

Activity: Program Management
 Subactivity: Program Management

Object Class	20BY Increase/ (Decrease)
11.1 Full-time permanent (Compensation)	
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.8 Special personnel services payments	
11.9 Total personnel compensation	0
12.1 Civilian personnel benefits	
13 Benefits for former personnel	0
21 Travel and transportation of persons	
22 Transportation of things	0
23 Rent, communications, and utilities	
23.1 Rental payments to GSA	0
23.2 Rental payments to others	0
23.3 Commun., util., and misc. charges	10
24 Printing and reproduction	100
25 Consulting and other services	0
25.1 Consulting services	
25.2 Other services	1,390
25.3 Purchase of goods and services from Gov't accounts	1,500
25.4 Operation of GOCOs	
25.5 Research and development contracts	
25.6 Medical care	
25.7 Operation and maintenance of equipment	
25.8 Subsistence and support of persons	
26 Supplies and materials	
31 Equipment	
32 Lands and structures	
33 Investments and loans	
41 Grants, subsidies and contributions	
42 Insurance claims and indemnities	
43 Interest and dividends	
44 Refunds	
99.9 Total obligations	3,000

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
PROGRAM CHANGE DETAIL BY OBJECT CLASS
 (Direct Obligations amounts in thousands)

Activity: Program Management
 Subactivity: Program Management

Object Class	20BY Increase/ (Decrease)
11.1 Full-time permanent (Compensation)	
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.8 Special personnel services payments	
11.9 Total personnel compensation	0
12.1 Civilian personnel benefits	
13 Benefits for former personnel	0
21 Travel and transportation of persons	250
22 Transportation of things	20
23 Rent, communications, and utilities	
23.1 Rental payments to GSA	0
23.2 Rental payments to others	0
23.3 Commun., util., and misc. charges	30
24 Printing and reproduction	150
25 Consulting and other services	0
25.1 Consulting services	
25.2 Other services	1,050
25.3 Purchase of goods and services from Gov't accounts	
25.4 Operation of GOCOs	
25.5 Research and development contracts	
25.6 Medical care	
25.7 Operation and maintenance of equipment	
25.8 Subsistence and support of persons	
26 Supplies and materials	
31 Equipment	
32 Lands and structures	
33 Investments and loans	
41 Grants, subsidies and contributions	
42 Insurance claims and indemnities	
43 Interest and dividends	
44 Refunds	
99.9 Total obligations	1,500

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Object Class	20PY Estimate	20CY President's Budget	20BY Base	20BY Estimate	Increase/ (Decrease) over 20BY Base
11.1 Full-time permanent (Compensation)	6,335	6,708	7,032	8,183	1,151
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	45	45	47	47	0
11.8 Special personnel services payments					0
11.9 Total personnel compensation	6,380	6,753	7,079	8,230	1,151
12.1 Civilian personnel benefits	1,228	1,232	1,222	1,418	196
13 Benefits for former personnel					0
21 Travel and transportation of persons	306	306	308	1,008	700
22 Transportation of things	13	13	13	33	20
23 Rent, communications and utilities					
23.1 Rental payments to GSA	1,618	1,618	1,665	2,131	466
23.2 Rental payments to others	13	13	13	13	0
23.3 Commun., util., and misc. charges	219	219	221	321	100
24 Printing and reproduction	108	108	110	375	265
25 Consulting and other services					0
25.1 Consulting services	150	150	150	150	0
25.2 Other services	4,112	4,141	4,218	20,010	15,792
25.3 Purchase of goods and services from Gov't account:	1,343	1,343	1,343	2,863	1,520
25.4 Operation of GOCOs					0
25.5 Research and development contracts					0
25.6 Medical care					0
25.7 Operation & maintenance of equipment	111	111	111	141	30
25.8 Subsistence and support of persons	51	51	51	51	0
26 Supplies and materials	82	82	83	146	63
31 Equipment	223	273	278	428	150
32 Lands and structures					0

Object Class		20PY	20CY	20BY	20BY	Increase/
		Estimate	President's Budget	Base	Estimate	(Decrease) over 20BY Base
33	Investments and loans					0
41	Grants, subsidies and contributions	11,968	13,468	13,468	15,218	1,750
42	Insurance claims and indemnities					0
43	Interest and dividends					0
44	Refunds					0
99.9	Total Obligations	<u>27,925</u>	<u>29,881</u>	<u>30,333</u>	<u>52,536</u>	<u>22,203</u>
	Less prior year recoveries		(1,000)	(1,500)	(1,500)	
	Less prior year unobligated balance	(671)	0	0	0	
	Total Budget Authority	<u>27,254</u>	<u>28,881</u>	<u>28,833</u>	<u>51,036</u>	<u>22,203</u>
Personnel Data						
Full-Time equivalent Employment:						
	Full-time permanent	119	119	119	143	24
	Other than full-time permanent	1	1	1	1	0
	Total	120	120	120	144	24
Authorized Positions:						
	Full-time permanent	129	129	129	161	32
	Other than full-time permanent	4	4	4	4	0
	Total	133	133	133	165	32

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
DETAILED REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Object Class	20BY Adjustment to Base	20BY Base	20BY Estimate	Increase/ (Decrease) over BY Base
11 Personnel compensation				
11.1 Full-time permanent				
Executive level				
Senior executive service	23	544	544	0
General schedule	301	6,488	7,639	1,151
Commissioned officers		0		0
Wage board/wage marine		0		0
Scientific & professional (P.L. 80-313)		0		0
Examiners of patent appeals (P.L. 82-593, 98-622)		0		0
Examiners of trademark appeals (P.L. 98-622)		0		0
Senior foreign service		0		0
Foreign service staff				0
Foreign service nationals		0		0
Consultants & experts		0		0
Students		0		0
[Law enforcement]	0	0	0	
Subtotal	324	7,032	8,183	1,151
11.3 Other than full-time permanent				
General schedule	0	0	0	0
Wage borad		0		0
Experts & consultants		0		0
Hourly				0
Subtotal	0	0	0	0

Object Class	20BY Adjustment to Base	20BY Base	20BY Estimate	Increase/ (Decrease) over BY Base
11.5 Other personnel compensation				
Overtime	2	27	27	0
SES performance awards		0	0	0
Cash awards		0	0	0
Merit pay awards		0	0	0
Other		20	20	0
Subtotal	2	47	47	0
11.8 Special personnel services payments				
Foreign service officers (State)				
Other				0
Subtotal	0	0	0	0
11.9 Total personnel compensation	326	7,079	8,230	1,151
12.1 Civilian personnel benefits				
Civil service retirement	(62)	261	261	0
Federal employees' retirement	6	251	256	5
Thrift savings plan	1	36	61	25
Federal Insurance Contribution Act	6	173	297	124
Health insurance	39	405	445	40
Life insurance	0	8	10	2
Employees' Compensation Fund	0	88	88	0
Other				0
Subtotal	(10)	1,222	1,418	196

Object Class		20BY Adjustment to Base	20BY Base	20BY Estimate	Increase/ (Decrease) over BY Base
13	Benefits for former personnel				0
	Severance pay				0
	Unemployment compensation				0
	Other				0
	Subtotal	0	0	0	0
21	Travel and transportation of persons				
	Common carrier		155	540	385
	Mileage	2	33	83	50
	Per diem/actual	0	110	375	265
	Vehicular		10	10	0
	Other		0	0	0
	[Overseas estimates]				0
	Subtotal	2	308	1,008	700
22	Transportation of things		13	33	20
	[Overseas estimates]				0
23	Rent, communications and utilities				
23.1	Rental payments to GSA	47	1,665	2,131	466
23.2	Rental payments to others		13	13	0

Object Class		20BY Adjustment to Base	20BY Base	20BY Estimate	Increase/ (Decrease) over BY Base
23.3	Commun., util., and misc. charges				0
	Rental of ADP equipment		0	0	0
	Rental of office copying equipment		0	0	0
	Other equipment rental	1	8	8	0
	Federal telecommunications system	1	80	125	45
	Other telecommunications services		66	76	10
	Postal Service by USPS	0	67	112	45
	Other		0	0	0
	[Overseas estimates]				0
	Subtotal	2	221	321	100
24	Printing and reproduction				
	Publications		34	249	215
	Public use forms	0	6	8	2
	Envelopes		2	5	3
	Other	2	68	113	45
	[Payments to GA, WCF]	[88]	[88]		0
	[Overseas estimates]				0
	Subtotal	2	110	375	265
25	Consulting and other services				

Object Class		20BY Adjustment to Base	20BY Base	20BY Estimate	Increase/ (Decrease) over BY Base
25.1	Consulting services				
	Management & professional support services		150	150	
	Studies, analyses, & evaluation				
	Engineering & technical services				
	[Overseas estimates]				0
	Subtotal	0	150	150	0
25.2	Other services				
	Training:				
	University		9	9	0
	Other	1	68	68	0
	Maintenance of equipment	0	0	0	0
	ADP services	2	65	65	0
	Telecommunications services	3	37	37	0
	Other non-government contracts	69	1,087	16,879	15,792
	Other	2	2,845	2,845	0
	CAMS (bureau specific)		70	70	
	CAMS (bureau shared)		37	37	
	[Overseas estimates]				0
	Subtotal	77	4,218	20,010	15,792
25.3	Purchases of goods and services from Gov't accounts	0			
	Office of Personnel Management Training		4	5	1
	GSA reimbursable services		5	5	0
	Payments to GA, WCF		1,334	2,853	1,519
	Subtotal		1,343	2,863	1,520

Object Class		20BY Adjustment to Base	20BY Base	20BY Estimate	Increase/ (Decrease) over BY Base
25.4	Operation of GOCOs				0
					0
25.5	Research and development contracts				0
					0
25.6	Medical care				0
					0
25.7	Operation and maintenance of equipment		111	141	30
					0
25.8	Subsistence and support of persons		51	51	0
					0
26	Supplies and materials				
	Office supplies	0	61	86	25
	ADP supplies	1	22	60	38
	Other		0	0	0
	[Overseas estimates]				0
	Subtotal	1	83	146	63

Object Class		20BY Adjustment to Base	20BY Base	20BY Estimate	Increase/ (Decrease) over BY Base
31	Equipment	3	12	37	25
	Office machines and equipment	0	243	343	100
	ADP hardware	2	23	48	25
	ADP software		0	0	0
	Other		0	0	0
	[Overseas estimates]				0
	Subtotal	5	278	428	150
32	Lands and structures				0
33	Investments and loans				0
41	Grants, subsidies and contributions		13,468	15,218	1,750
42	Insurance claims and indemnities				0
43	Interest and dividends				0
44	Refunds				0
99	Total Obligations	452	30,333	52,536	22,203
	Less prior year recoveries		(1,500)	(1,500)	
	Total Budget Authority	452	28,833	51,036	22,203

Department of Commerce
Operating Unit of Commerce
ACTIVITY/SUBACTIVITY CHANGE CROSSWALK
Part 1 - 20CY Structure
(Dollar amounts in thousands)

<u>Activity/Subactivity</u>	<u>20BY Direct Obligations</u>	<u>Proposed Changes</u>
<u>Program Management</u>		
Advocacy, Research & Information	389	Merge into Business Development

Department of Commerce
Operating Unit of Commerce
ACTIVITY/SUBACTIVITY CHANGE CROSSWALK
Part 2 - 20BY Structure
 (Dollar amounts in thousands)

Activity/Subactivity	20PY-2	20PY-1	20PY	20CY	20BY
Program Management					
Advocacy, Research & Information	1,100	1,150	1,213	1,323	1,389
Subtotal, Program Management	1,100	1,150	1,213	1,323	1,389
Business Development	15,724	17,500	19,757	22,831	24,719
Total Direct Obligations	16,824	18,650	20,970	24,154	26,108

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
SUMMARY OF OUTYEAR CHANGES REQUESTED
 (Dollar amounts in thousands)

Activity/Subactivity	20BY Amount	20BY+1 Amount	20BY+2 Amount	20BY+3 Amount	20BY+4 Amount
20BY Base Program	28,833	28,833	29,410	29,998	30,598
GDP		2%	2%	2%	2%
Adjusted Base	28,833	29,410	29,998	30,598	31,210
Program Change (List by Program Change)					
Business Development	17,703	20,336	21,102	21,708	21,708
Program Management	4,500	8,095	8,095	8,282	9,100
Outyear Estimates	51,036	57,841	59,195	60,588	62,018

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
OUTYEAR ANALYSIS TABLE
(Dollar amounts in thousands)

	Resources Available for Outlays	20PY	20CY	20BY	20BY + 1	20BY + 2	20BY + 3	20BY + 4	Total
20PY Obligated Balance, SOY	10,164	9,046	1,118						10,164
Unobligated Balance, SOY	671	336	295	40					671
Net Obligations	27,254	13,627	11,992	1,635					27,254
20CY Net Obligations	28,881	*****	14,441	12,708	1,732				28,880
20BY Net Obligations	51,036	*****	*****	25,518	22,456	3,062			51,036
20BY+1 Net Obligations	57,841	*****	*****	*****	28,921	25,450	3,470		57,841
20BY+2 Net Obligations	59,195	*****	*****	*****	*****	29,598	26,046	3,551	59,195
20BY+3 Net Obligations	60,588	*****	*****	*****	*****	*****	30,294	26,659	56,953
20BY+4 Net Obligations	62,018	*****	*****	*****	*****	*****	*****	31,009	31,009
		-----	-----	-----	-----	-----	-----	-----	-----
		23,009	27,846	39,901	53,109	58,110	59,810	61,218	323,003
Spendout Rates:									
20CY Obligated Balance, SOY		89.0%	11.0%						
Unobligated Balance, SOY		50.0%	44.0%	6.0%					
Net Obligations		50.0%	44.0%	6.0%					
20CY % spendout			50.0%	44.0%	6.0%				
20BY % spendout				50.0%	44.0%	6.0%			
20BY+1 % spendout					50.0%	44.0%	6.0%		
20BY+2 % spendout						50.0%	44.0%	6.0%	
20BY+3 % spendout							50.0%	44.0%	
20BY+4 % spendout								50.0%	

Department of Commerce
Operating Unit of Commerce
LEGISLATIVE PROPOSALS
(Dollar amounts in thousands)

Page No.	Appropriation and Activity	Existing Authority	Expiration Date	Amount Requested in 20BY
-------------	----------------------------	-----------------------	--------------------	--------------------------------

Extension of existing legislation:

New programs:

Authorization proposed for lapse/repeal:

OPERATING UNIT SUBMISSIONS TO THE OFFICE OF THE SECRETARY

VOLUME III (CHAPTER 3) - APPENDIX B

WORKSHEETS

Assumptions shown in the worksheets are for illustrative purposes only.

APPENDIX B - WORKSHEETS FOR SUBMISSION TO THE OFFICE OF THE SECRETARY

Assumptions shown in exhibits are for illustrative purposes only.

TABLE OF CONTENTS

<u>Exhibit Number</u>	<u>Page Number</u>
Worksheet A-1	B - III (3) - 1
Worksheet A-2	B - III (3) - 2
Worksheet A-3	B - III (3) - 3
Worksheet A-4	B - III (3) - 4
Worksheet A-5	B - III (3) - 5
Worksheet A-6	B - III (3) - 6
Worksheet B	B - III (3) - 7
Worksheet C-1	B - III (3) - 8
Worksheet D	B - III (3) - 9
Worksheet E	B - III (3) - 10
Worksheet F	B - III (3) - 11

DEPARTMENT OF COMMERCE
OPERATING UNIT OF COMMERCE
ACCOUNT:
FY 20BY ----- 3.9%
EMPLOYMENT COST INDEX (ECI) PAY RAISE
(dollars in thousands)

SUBJECT TO PAY RAISE:	ASSUMPTIONS				PAY RAISE/BENEFITS			
	REGULAR	FOREIGN SERVICE	LAW ENFORCEMENT	TOTAL	REGULAR	FOREIGN SERVICE	LAW ENFORCEMENT	TOTAL
11.1 Salaries subject to retirement.	6,708	-	-	6,708	262	-	-	262
11.3 Salaries subject to retirement.	-	-	-	-	-	-	-	-
Subtotal.....	6,708	-	-	6,708	262	-	-	262
11.3 Not subject to retirement.....	-	-	-	-	-	-	-	-
Total Salaries.....	6,708	-	-	6,708	262	-	-	262
BENEFITS:								

CSRS Participation Rate.....	61.7%	0.0%	0.0%					
CSRS Contribution Rate.....	7.1%	7.5%	0.0%		12	-	-	12
FERS Participation Rate.....	38.3%	0.0%	0.0%					
FERS Contribution Rate.....	10.7%	24.3%	0.0%		11	-	-	11
TSP Contribution Rate.....	2.0%	2.0%	0.0%		2	-	-	2
FICA Cap Rate (OASDI).....	93.7%	93.7%	93.7%					
OASDI Contribution Rate.....	6.2%	6.2%	6.2%		6	-	-	6
Medicare Contribution Rate.....	1.5%	1.5%	1.5%		4	-	-	4
Life Insurance Percentage.....	0.1%	0.1%	0.0%		-	-	-	-
Total Benefits.....					35	-	-	35
Subtotal, Pay Raise.....					296	-	-	296
Payment to WCF (BRCD will provide #)					1	-	-	1
Total Pay Raise (Full year).....					297	-	-	297
X .75 (Nine Months).....	75.0%	75.0%	75.0%		223	-	-	223
Pay Raise Rate.....	3.9%	3.9%	3.9%					

* Note: Columns may not add due to rounding.

DEPARTMENT OF COMMERCE
OPERATING UNIT OF COMMERCE
ACCOUNT:
FY 20BY+1 ----- 3.9%
EMPLOYMENT COST INDEX (ECI) PAY RAISE
(dollars in thousands)

SUBJECT TO PAY RAISE:	ASSUMPTIONS				PAY RAISE/BENEFITS			
	REGULAR	FOREIGN SERVICE	LAW ENFORCEMENT	TOTAL	REGULAR	FOREIGN SERVICE	LAW ENFORCEMENT	TOTAL
11.1 Salaries subject to retirement.	6,970	-	-	6,970	272	-	-	272
11.3 Salaries subject to retirement.	-	-	-	-	-	-	-	-
Subtotal.....	6,970	-	-	6,970	272	-	-	272
11.3 Not subject to retirement.....	-	-	-	-	-	-	-	-
Total Salaries.....	6,970	-	-	6,970	272	-	-	272
BENEFITS:								
CSRS Contribution Rate.....	61.7%	0.0%	0.0%					
CSRS Contribution Rate.....	7.1%	7.5%	0.0%		12	-	-	12
FERS Participation Rate.....	38.3%	0.0%	0.0%					
FERS Contribution Rate.....	10.7%	24.3%	0.0%		11	-	-	11
TSP Contribution Rate.....	2.0%	2.0%	0.0%		2	-	-	2
FICA Cap Rate (OASDI).....	93.7%	93.7%	93.7%					
OASDI Contribution Rate.....	6.2%	6.2%	6.2%		6	-	-	6
Medicare Contribution Rate.....	1.5%	1.5%	1.5%		4	-	-	4
Life Insurance Percentage.....	0.1%	0.1%	0.0%		-	-	-	-
Total Benefits.....					35	-	-	35
Subtotal, Pay Raise.....					307	-	-	307
Payment to WCF (BRCD will provide #)					1	-	-	1
Total Pay Raise (Full year).....					307	-	-	307
X .75 (Nine Months).....	75.0%	75.0%	75.0%		230	-	-	230
Pay Raise Rate.....	3.9%	3.9%	3.9%					

* Note: Columns may not add due to rounding.

DEPARTMENT OF COMMERCE
OPERATING UNIT OF COMMERCE
ACCOUNT:
FY 20BY+2 ----- 3.9%
EMPLOYMENT COST INDEX (ECI) PAY RAISE
(dollars in thousands)

SUBJECT TO PAY RAISE:	ASSUMPTIONS				PAY RAISE/BENEFITS			
	REGULAR	FOREIGN SERVICE	LAW ENFORCEMENT	TOTAL	REGULAR	FOREIGN SERVICE	LAW ENFORCEMENT	TOTAL
11.1 Salaries subject to retirement.	7,242	-	-	7,242	282	-	-	282
11.3 Salaries subject to retirement.	-	-	-	-	-	-	-	-
Subtotal.....	7,242	-	-	7,242	282	-	-	282
11.3 Not subject to retirement.....	-	-	-	-	-	-	-	-
Total Salaries.....	7,242	-	-	7,242	282	-	-	282
BENEFITS:								

CSRS Participation Rate.....	61.7%	0.0%	0.0%					
CSRS Contribution Rate.....	7.1%	7.5%	0.0%		12	-	-	12
FERS Participation Rate.....	38.3%	0.0%	0.0%					
FERS Contribution Rate.....	10.7%	24.3%	0.0%		12	-	-	12
TSP Contribution Rate.....	2.0%	2.0%	0.0%		2	-	-	2
FICA Cap Rate (OASDI).....	93.7%	93.7%	93.7%					
OASDI Contribution Rate.....	6.2%	6.2%	6.2%		6	-	-	6
Medicare Contribution Rate.....	1.5%	1.5%	1.5%		4	-	-	4
Life Insurance Percentage.....	0.1%	0.1%	0.0%		-	-	-	-
Total Benefits.....					36	-	-	36
Subtotal, Pay Raise.....					318	-	-	318
Payment to WCF (BRCD will provide #)					1	-	-	1
Total Pay Raise (Full year).....					319	-	-	319
X .75 (Nine Months).....	75.0%	75.0%	75.0%		239	-	-	239
Pay Raise Rate.....	3.9%	3.9%	3.9%					

* Note: Columns may not add due to rounding.

DEPARTMENT OF COMMERCE
OPERATING UNIT OF COMMERCE
ACCOUNT:
FY 20BY+3 ----- 3.9%
EMPLOYMENT COST INDEX (ECI) PAY RAISE
(dollars in thousands)

SUBJECT TO PAY RAISE:	ASSUMPTIONS				PAY RAISE/BENEFITS			
	REGULAR	FOREIGN SERVICE	LAW ENFORCEMENT	TOTAL	REGULAR	FOREIGN SERVICE	LAW ENFORCEMENT	TOTAL
11.1 Salaries subject to retirement.	7,524	-	-	7,524	293	-	-	293
11.3 Salaries subject to retirement.	-	-	-	-	-	-	-	-
Subtotal.....	7,524	-	-	7,524	293	-	-	293
11.3 Not subject to retirement.....	-	-	-	-	-	-	-	-
Total Salaries.....	7524	0	0	7524	293	0	0	293
BENEFITS:								

CSRS Participation Rate.....	61.7%	0.0%	0.0%					
CSRS Contribution Rate.....	7.1%	7.5%	0.0%		13	-	-	13
FERS Participation Rate.....	38.3%	0.0%	0.0%					
FERS Contribution Rate.....	10.7%	24.3%	0.0%		12	-	-	12
TSP Contribution Rate.....	2.0%	2.0%	0.0%		2	-	-	2
FICA Cap Rate (OASDI).....	93.7%	93.7%	93.7%					
OASDI Contribution Rate.....	6.2%	6.2%	6.2%		7	-	-	7
Medicare Contribution Rate.....	1.5%	1.5%	1.5%		4	-	-	4
Life Insurance Percentage.....	0.1%	0.1%	0.0%		-	-	-	-
Total Benefits.....					38	-	-	38
Subtotal, Pay Raise.....					331	-	-	331
Payment to WCF (BRCD will provide #)					1	-	-	1
Total Pay Raise (Full year).....					331	-	-	331
X .75 (Nine Months).....	75.0%	75.0%	75.0%		248	-	-	248
Pay Raise Rate.....	0.039	0.039	0.039					

* Note: Columns may not add due to rounding.

DEPARTMENT OF COMMERCE
OPERATING UNIT OF COMMERCE
ACCOUNT:
FY 20BY+4 ----- 3.9%
EMPLOYMENT COST INDEX (ECI) PAY RAISE
(dollars in thousands)

SUBJECT TO PAY RAISE:	ASSUMPTIONS				PAY RAISE/BENEFITS			
	REGULAR	FOREIGN SERVICE	LAW ENFORCEMENT	TOTAL	REGULAR	FOREIGN SERVICE	LAW ENFORCEMENT	TOTAL
11.1 Salaries subject to retirement.	7,817	-	-	7,817	305	-	-	305
11.3 Salaries subject to retirement.	-	-	-	-	-	-	-	-
Subtotal.....	7,817	-	-	7,817	305	-	-	305
11.3 Not subject to retirement.....	-	-	-	-	-	-	-	-
Total Salaries.....	7817	0	0	7817	305	0	0	305
BENEFITS:								

CSRS Participation Rate.....	61.7%	0.0%	0.0%					
CSRS Contribution Rate.....	7.1%	7.5%	0.0%		13	-	-	13
FERS Participation Rate.....	38.3%	0.0%	0.0%					
FERS Contribution Rate.....	10.7%	24.3%	0.0%		12	-	-	12
TSP Contribution Rate.....	2.0%	2.0%	0.0%		2	-	-	2
FICA Cap Rate (OASDI).....	93.7%	93.7%	93.7%					
OASDI Contribution Rate.....	6.2%	6.2%	6.2%		7	-	-	7
Medicare Contribution Rate.....	1.5%	1.5%	1.5%		4	-	-	4
Life Insurance Percentage.....	0.1%	0.1%	0.0%		-	-	-	-
Total Benefits.....					38	-	-	38
Subtotal, Pay Raise.....					343	-	-	343
Payment to WCF (BRCD will provide #)					1	-	-	1
Total Pay Raise (Full year).....					343	-	-	343
X .75 (Nine Months).....	0.75	0.75	0.75		257	-	-	257
Pay Raise Rate.....	0.039	0.039	0.039					

* Note: Columns may not add due to rounding.

DEPARTMENT OF COMMERCE
OPERATING UNIT OF COMMERCE
ACCOUNT:
Calculation of Pay Raise for FY 2003 and Outyears

Pay Related	20BY	20BY+1	20BY+2	20BY+3	20BY+4
20BY Pay Raise	223	296	296	296	296
20BY+1 Pay Raise		230	307	307	307
20BY+2 Pay Raise			239	318	318
20BY+3 Pay Raise				248	331
20BY+4 Pay Raise					257
Total	223	526	842	1169	1509
Working Capital Fund	20BY	20BY+1	20BY+2	20BY+3	20BY+4
20BY Pay Raise		1	1	1	1
20BY+1 Pay Raise			1	1	1
20BY+2 Pay Raise				1	1
20BY+3 Pay Raise					1
20BY+4 Pay Raise					1
Total		1	2	3	4
Total Pay Raise	20BY	20BY+1	20BY+2	20BY+3	20BY+4
20BY Pay Raise	224	297	297	297	297
20BY+1 Pay Raise		231	308	308	308
20BY+2 Pay Raise			240	319	319
20BY+3 Pay Raise				249	332
20BY+4 Pay Raise					258
Total	224	528	845	1173	1514

* Note: Columns may not add due to rounding.

DEPARTMENT OF COMMERCE
OPERATING UNIT OF COMMERCE
Full-cost in 20BY of positions financed for part year in 20CY

Improvements to advance retail sales estimates, pg.26

	<u>Rates</u>	<u>FTE</u>	<u>Amount</u>
Annual salary of new positions in 20CY budget..		4	218,428
Less lapse.....	5.00%	<u>0</u>	<u>-10,921</u>
Full-year cost of personnel compensation.....		4	207,507
Less personnel compensation included in the 20CY budget.....		<u>-3</u>	<u>-163,821</u>
Subtotal, personnel compensation.....		1	43,686
Adjustment for 20BY pay raise for 3/4 of year..	4.70%	<u>0</u>	<u>1,540</u>
Amount required for personnel compensation.....		1	45,226
20BY personnel benefits:			
FERS.....	10.70%		4,839
Thrift Savings Plan.....	2.00%		905
OSADI.....	6.20%		2,804
Medicare.....	1.45%		656
Health Insurance.....	6.00%		2,714
Life Insurance.....	0.10%		<u>45</u>
Amount required for benefits.....			11,963
Total amount required.....		<u>1</u>	<u>57,189</u>

DEPARTMENT OF COMMERCE
Operating Unit of Commerce
Calculation of Turnover Rate
for FY 20BY

	Line 1: Total Employment	Line 25: Separations
<u>April 1999 - March 2000</u>		
April	100	-
May	101	1
June	102	-
July	103	2
August	102	1
September	101	2
October	104	1
November	104	-
December	103	1
January	106	1
February	105	-
March	105	1
	1,236	10
<u>April 2000- March 2001</u>		
April	104	1
May	105	1
June	103	2
July	102	2
August	102	3
September	98	4
October	100	-
November	99	-
December	97	3
January	93	6
February	94	3
March	92	1
Total	1,189	26
Total 2 years	2,425	36
No. of months	24	24
Average per month	101	2
Annualize separations*		12
		18
Percentage of separations of total employment or turnover rate	17.8%	

* 36/24x12 =18

DEPARTMENT OF COMMERCE
Operating Unit of Commerce
Computation of One Additional Compensable Day in FY 20BY

Object Class Activity	20CY Congressional Budget	
11.1 Full-time permanent	6,708,000	
11.3 Other than full-time permanent	0	
11.5 Overtime*	0	
	<hr/>	
Total, personnel compensation	6,708,000	
Divided by number of days in FY 20CY	261	
	<hr/>	
ATB for personnel compensation		25,701
12.1 CSRS	336,000	
FERS	245,000	
TSP	35,000	
FICA	167,000	
Life insurance	8,000	
Medicare	0	
COLA	0	
	<hr/>	
Total benefits	791,000	
Divided by number of days in FY 20CY	261	
	<hr/>	
		<hr/> 3,031
ATB		28,732

This represents the cost increase of one compensable day. If in a future year, there should be a difference of two compensable day, the above result would be multiplied by two.

DEPARTMENT OF COMMERCE
Operating Unit of Commerce
Calculation of 20BY Health Costs ATB

	Payroll Data Prior to Rate Increase	Payroll Data After Rate Increase	Difference
Annualized health cost	\$259,209	\$301,144	\$41,935
Number of participants	81	85	4
Average cost per participant	\$3,200	\$3,543	\$343
Percentage increase/decrease			10.7%
<hr/>			
20CY Congressional estimate			
Health benefits	\$366,000		
Average rate increase	10.7%		
Health benefits ATB	\$39,162		

Calculation for determining health benefit rate for 20BY

(Use in other budget calculations requiring health estimates, such as annualization or program increases/decreases.)

20CY Congressional request		
11.1 Personnel compensation		\$6,708,000
Health benefit estimate	\$366,000	
20BY Health benefit ATB	<u>39,162</u>	
Total 20BY Health benefits		<u>\$405,162</u>
Health benefit rate for 20BY		6.0%

DEPARTMENT OF COMMERCE
Operating Unit of Commerce
Calculation of 20BY Per Diem ATB

Destination	Travel Days per Year	Before Rate Increase		After Rate Increase		Cost Difference
		Per Diem	Cost	Per Diem	Cost	
California						
Los Angeles	63	114	\$7,182	120	\$7,560	\$378
Colorado						
Denver	57	94	\$5,358	95	\$5,415	\$57
Georgia						
Atlanta	141	106	\$14,946	108	\$15,228	\$282
Illinois						
Chicago	129	117	\$15,093	123	\$15,867	\$774
Massachusetts						
Boston	65	115	\$7,475	121	\$7,865	\$390
New York						
Manhattan	154	141	\$21,714	147	\$22,638	\$924
Total			\$71,768		\$74,573	2,805
						3.9%
20CY Congressional estimate						
Per diem			\$117,000			
Rate increase			3.9%			
Per diem ATB			\$4,563			

VOLUME III – BUDGET FORMULATION

CHAPTER 4 – THE OMB PROCESS

TABLE OF CONTENTS

	Page Number
Section 23 General Instructions for the Initial Submission to OMB	<u>III (4) - 1</u>
Section 24 Other Authorities and Approvals Required	<u>III (4) - 3</u>
Office of the Secretary Components	<u>III (4) - 3</u>
Coordination with Outside Agencies	<u>III (4) - 3</u>
Office of Budget and OMB	<u>III (4) - 3</u>
Section 25 OMB Review Process and Final Presidential Decisions	<u>III (4) - 4</u>
OMB Review Process	<u>III (4) - 4</u>
Amendments to the OMB Request	<u>III (4) - 4</u>
OMB Initial Allowance (Passback)	<u>III (4) - 5</u>
Appeals to OMB	<u>III (4) - 5</u>
Final Presidential Decisions	<u>III (4) - 6</u>
Section 26 OMB Submission Materials	<u>III (4) - 7</u>
Table of Contents (Exhibit 1)	<u>III (4) - 7</u>
Organization Chart (Exhibit 2)	<u>III (4) - 7</u>
Executive Summary (Exhibit 3)	<u>III (4) - 7</u>
Summary of Goals, Objectives, and Performance Measures (Exhibit 3A)	<u>III (4) - 7</u>
Priority Ranking of Changes (Exhibit 4)	<u>III (4) - 9</u>
Summary of Resource Requirements (Exhibit 5)	<u>III (4) - 9</u>
Summary of Reimbursable Obligations (Exhibit 6)	<u>III (4) - 10</u>
Summary of Financing (Exhibit 7)	<u>III (4) - 10</u>
Adjustments to Base (Exhibit 8)	<u>III (4) - 11</u>
Justification of Adjustments to Base (Exhibit 9)	<u>III (4) - 11</u>
Program and Performance: Direct Obligations (Exhibit 10)	<u>III (4) - 20</u>

	Page Number
Program and Performance: Reimbursable Obligations (Exhibit 11)	<u>III (4) - 21</u>
Justification of Program and Performance (by subactivity) (Exhibit 12)	<u>III (4) - 21</u>
Contribution to Strategic Planning Goals and Objectives (Exhibit 12A)	<u>III (4) - 22</u>
Program Changes for 20BY (Exhibit 13)	<u>III (4) - 22</u>
Program Change Personnel Detail (Exhibit 14)	<u>III (4) - 24</u>
Program Change Detail by Object Class (Exhibit 15)	<u>III (4) - 24</u>
Summary of Requirements by Object Class (Exhibit 16)	<u>III (4) - 24</u>
Detailed Requirements by Object Class (Exhibit 17)	<u>III (4) - 24</u>
Activity/Subactivity Change Crosswalk (Part I - CY Structure) (Exhibit 18)	<u>III (4) - 25</u>
Activity/Subactivity Change Crosswalk (Part II - BY Structure) (Exhibit 19)	<u>III (4) - 25</u>
Summary of Outyear Changes Requested (Exhibit 20)	<u>III (4) - 25</u>
Outyear Bridge Table (Exhibit 21)	<u>III (4) - 25</u>
Outlay Analysis Table (Exhibit 22)	<u>III (4) - 26</u>
Summary of Information Technology (Exhibit 23)	<u>III (4) - 27</u>
Appropriations Requiring Authorizing Legislation (Exhibit 29)	<u>III (4) - 27</u>
Justification of Proposed Language Changes (Exhibit 32)	<u>III (4) - 27</u>
Section 27 Presentation, Paper Size, Printing, Electronic Submission	<u>III (4) - 28</u>
Section 28 Performance and Accountability Report (PAR)	<u>III (4) - 30</u>
Section 29 Capital Asset Plan and Business Case (Exhibit 300)	<u>III (4) - 34</u>
EXHIBITS	APPENDIX A
WORKSHEETS	APPENDIX B

**SECTION 23 – GENERAL INSTRUCTIONS FOR THE INITIAL SUBMISSION TO
OMB**

- A. This section provides guidance that operating units need to prepare their budget submissions to the Office of Management and Budget (OMB). The contents of this chapter supplement the detailed instructions in [OMB Circular A-11](#), "Preparation, Submission, and Execution of the Budget." "The OMB Process" (section 3) follows "The Secretarial Budget" (section 2) and leads into "The President's Budget" (section 4), which contains instructions for revising the OMB submission and for assembling the materials that comprise the President's Budget.
- B. This section contains detailed instructions for completing the exhibits comprising the OMB budget, as well as samples of properly completed exhibits. These exhibits are essentially the same as those prepared under the Secretarial budget process. The use of consistent formats and budget formulation processes facilitates analysis and review of operating unit (and the Department's) budget requests.
- C. This section of the *Handbook* also describes the processes that follow OMB's receipt of the initial submissions and contains related guidance. It describes the Department's appeals process; provides guidance for preparing amendments and for preparing appeals to OMB's initial passback; and explains the process by which the Department transmits OMB's final decisions.
- D. Due Dates
- 1) The Department's initial budget submission is due to OMB by the second Monday in September. Operating units submit their draft justifications and exhibits to the Office of Budget ten working days before the due date; they submit their complete initial submissions to the Office of Budget two working days before the due date.
- E. Basis
- 1) 31 U.S.C. 1104(e) requires each agency to provide budget information to the President pursuant to OMB regulations. Section 1108 of the same chapter provides general guidance on the preparation of appropriations requests to the President. These statutory requirements are the basis for the requirements contained in [OMB Circular A-11](#). The Department and the Commerce Branch at OMB have developed other specific requirements.
- F. Contents of the Initial Submission
- 1) The Department's initial budget submission to OMB consists of 1) budget justifications and exhibits; and 2) "other materials" that OMB defines separately in [OMB Circular A-11](#).

G. Justifications, Exhibits, and Backup Exhibits

- 1) An operating unit's justifications and exhibits for the initial OMB submission consist of the justifications and exhibits that the operating unit prepared for the Secretarial submission, revised to reflect the Secretary's final allowance.

H. Other Materials

- 1) Operating unit staffs should consult [OMB Circular A-11, Section 25.5](#), for a complete list of the "other materials" that are part of the initial budget submission to OMB. "Other materials" consist of narratives and exhibits of various types that do not derive directly from an operating unit's budget submission to the Secretary.

I. Quantities to Submit

- 1) Operating units send three copies of their draft justifications and exhibits to the Office of Budget by the due date described in subsection A.1. Next they send 15 copies of their completed initial submissions -- justifications, exhibits, and other materials -- and four copies of their "backup" exhibits to the Office of Budget. Specific direction may be provided for operating units to submit their entire justifications electronically. The Department sends to OMB the operating units' initial submissions, a letter from the Secretary to the OMB Director, and summary tables that the Office of Budget prepares.

SECTION 24 – OTHER AUTHORITIES AND APPROVALS REQUIRED

A. Office of the Secretary Components

- 1) Various Office of the Secretary components, aside from the Office of Budget, oversee the preparation of the other materials included in the initial budget submission to OMB. Narratives and exhibits that operating units prepare to satisfy OMB's other materials reporting requirements must conform to the guidance that the Office of the Secretary components provide. Table A in Appendix B of this chapter, at the end of this section, shows the materials required, the [OMB Circular A-11](#) section referenced, and the office responsible. Operating units will submit their other completed materials to the responsible offices for transmittal to OMB. Operating units should send a courtesy copy to the Office of Budget.

B. Coordination with Outside Agencies

- 1) Coordination with Outside Agencies – [OMB Circular A-11, Section 33](#), defines a number of proposals, by subject, that departments and agencies must coordinate with other government agencies before submitting them to OMB, through the Office of Budget. Operating units should consult [OMB Circular A-11](#) for specific instructions about how to demonstrate compliance with this requirement.

C. Office of Budget and OMB

- 1) Office of Budget and OMB - OMB requires departments and agencies to obtain approvals before deviating from the submission requirements that [OMB Circular A-11](#) contains. To the extent possible, operating units should request exceptions to OMB's submission requirements as part of their Secretarial submission, and consistent with the deadlines described below (the Office of Budget will coordinate all requests for OMB approval of an exception to its submission requirements):
- 2) Exceptions to the provisions of [OMB Circular A-11](#) must be submitted to OMB by August 1. Approved exceptions are valid only for the year in which they are granted.
- 3) Specialized requirements for presentation of program proposals, justification materials and exhibits not provided for by [OMB Circular A-11](#), before the initial materials are sent.
- 4) Changes in the format of justification materials, activity/subactivity structure, classification and functional codes, in advance of the initial submission.
- 5) Changes in budget structure (i.e., establishing, merging or changing the sequence of accounts) by October 1st (eleven months prior to the submission).

SECTION 25 – OMB REVIEW PROCESS AND FINAL PRESIDENTIAL DECISIONS

A. OMB Review Process

- 1) After the budget justifications are received by OMB, the Commerce Branch at OMB conducts hearings with Departmental officials in order to provide an opportunity to obtain a better understanding of policies, programs and problems connected with the budget submission. The Office of Budget prepares a schedule for such hearings after consultation with OMB staff and the Departmental and operating unit officials requested to appear at the hearings.
- 2) OMB does not have a set format for the conduct of its hearings. Written questions likely to be asked are provided by OMB, usually three days prior to the hearing. Hearings are usually held at OMB (New Executive Office Building, 725 17th Street, N.W.) Formal hearings are usually limited to broad program areas and call for the attendance of program managers and their key assistants. Informal hearings are often held by individual examiners on specific programs, issues, or projects. Office of Budget staff is responsible for arranging all formal and informal hearings and attends each hearing.

B. Amendments to the OMB Request

- 1) It is sometimes necessary to substantively amend the Department's submission to OMB. Such changes may result from congressional action (either substantive changes in authorizing legislation or current year appropriation action), pay raise costs, or any other matter which was not known at the time the request was submitted to OMB but substantively changes the resource requirements included in the initial OMB request.
- 2) Since these amendments are prepared prior to the completion of the President's Budget, the procedures for preparation of budget amendments and supplementals outlined in Volume III, Chapter 6 of the *Handbook* and in [Section 110 of OMB Circular A-11](#) do not apply.
- 3) When amendments are needed which change requirements for a number of operating units, the Office of Budget sends guidance on procedures and formats for preparing amendments. The required formats will include revisions to a number of consolidated exhibits (i.e., object class, outyear and outlay tables) as well as exhibits at the subactivity level, where appropriate. The Office of Budget consolidates all submissions from operating units and forwards a single amendment package to OMB.
- 4) If an operating unit believes it should substantively revise its request to OMB, but has not received guidance from the Office of Budget, the operating unit budget officer should discuss the matter with the Office of Budget analyst and then, if appropriate, prepare amendment materials per guidance received from the Office of Budget.

C. OMB Initial Allowance (Passback)

- 1) The OMB "passback" takes place in late November or early December. The nature of the Federal budget process and the necessity for OMB to coordinate all budget requests from Federal agencies make it difficult, if not impossible, to predict when passback will occur. The Office of Budget maintains constant communication with OMB as it moves toward releasing initial decisions. The Office of Budget usually learns of the scheduled passback date and time at least 24 hours in advance. The schedule immediately after passback is very compressed. The Department must submit all appeals to OMB within 72 hours of passback and it is assumed that appropriate policy officials will be available to assist Department and operating unit staff in reviewing the passback decisions and preparing any appeals. The usual procedures for passback are as follows:
- 2) The OMB Director or Deputy Director personally communicates the summary figures directly to the Secretary along with broad guidelines set by the President.
- 3) OMB staff provides the allowances, including summary and detail tables, the rationale for the decisions and an indication of what latitude exists for distribution or redistribution of the allowances. The material usually includes control tables, written guidance, and (sometimes) a marked up Departmental ranking table. The detailed material could possibly be different from the summary control tables. The budget must agree, however, with the control tables by operating unit until OMB changes the control tables.
- 4) The Office of Budget advises designated budget officers of the allowances and the rationale OMB used to support their decisions. Copies of all materials from OMB are provided to budget officers. Operating units then must decide what, if any, items they wish to appeal to OMB.

D. Appeals to OMB

- 1) Budget officers of each operating unit communicate the information received from the Office of Budget to program managers. Appeals are submitted, in writing, to the Office of Budget. The Office of Budget may issue appeal formats. Each appeal item should be limited to one page. Generally, appeal documents begin with a table which includes at least the following information, by subactivity:
 - i) the total obligations, budget authority, outlays and FTE included in the request to OMB;
 - ii) the amounts and FTE included in the passback; and
 - iii) the amounts and FTE appealed.

- 2) Figures for the current year, budget year and the following year (budget year +1) are included on all materials.
- 3) All materials are sent per the schedule communicated by the Office of Budget.
- 4) The Office of Budget reviews all appeal documents and conducts briefings for the Chief Financial Officer/Assistant Secretary for Administration (hereafter, "Assistant Secretary") and the Deputy Secretary. The Deputy Secretary and/or the Secretary decide on the appeals to submit to OMB and the Office of Budget prepares the OMB appeal letter and attachments. Most appeal items are resolved at the OMB policy level within a matter of days. Outstanding issues may, at the discretion of the Secretary, be appealed beyond OMB. These very select appeals may be presented to a Budget Review Board composed of the Director of OMB and White House officials. In rare cases, appeals may be presented to the President. Because of the short turnaround times, all resources of the Department must be available to support the Secretary and Deputy Secretary in these cases.

E. Final Presidential Decisions

- 1) The Office of Budget communicates the results of all appeal decisions to the budget officer of each operating unit as soon as information is available. Budget officers are then responsible for preparing, with the assistance of the Office of Budget, all materials required for the congressional justifications, the budget *Appendix*, and OMB's MAX System.
- 2) The other materials mentioned in Section B.2 above (also see Table A in Appendix B to this chapter) are updated to reflect final budget decisions.
- 3) The following portion of this volume provides detailed guidance on preparing the required exhibits. These instructions are essentially the same as those provided in Volume III, Chapter 3 but are included again to facilitate easy reference for preparing the OMB justification. A complete list of the exhibits to be included in the OMB submission is provided in Volume III, Chapter 2. Data included in the OMB exhibits must be consistent with the Department's funding and policy decisions provided in the final allowances of the secretarial process.

SECTION 26 – OMB SUBMISSION MATERIALS

A. Table of Contents (Exhibit 1)

- 1) The table of contents is for the justification material. The materials are organized as displayed with separate sections for summary material, appropriation account material, and operating unit materials. Appropriation account material is shown separately by account. In the table of contents, subactivities are grouped by activity and page numbers are shown for each.
- 2) This exhibit, and all exhibits, should be labeled with the exhibit number in the upper right hand corner of the page.

B. Organization Chart (Exhibit 2)

- 1) This exhibit reflects the approved organizational structure at the time of the submission. If a change is proposed, two charts are required to show the current organization chart and the proposed structure.

C. Executive Summary (Exhibit 3)

- 1) This exhibit provides the operating unit with an opportunity to summarize its budget request in terms of operating unit priorities, Secretarial priorities, and Administration priorities. The summary includes the following headings: 1) General Statement; 2) Goals of the Program; 3) Statement of Objectives; 4) Summary of Proposed Changes. Operating units must discuss their budget request in terms of the Department's Strategic Plan.

D. Summary of Goals, Objectives and Performance Measures (Exhibit 3A)

- 1) This exhibit is the annual performance plan (APP) and is the primary location where most information related to the integration of budget and performance is provided. The exhibit provides a summary of the operating unit's performance outcomes (objectives for specific operating units), and associated measures, targets and resources available to the operating unit to achieve its stated outcomes and measures. The operating unit should show a six-year target history. For the OMB submission, this should include three prior years, the 20CY targets, the latest President's Budget targets, and the 20BY. See Appendix A to this Chapter for the table. Outyear targets should only appear in Exhibit 13. Actual funding data are also displayed for all available fiscal years. The dollar figures represent obligations by performance outcome. In the Resource Requirements table, funding amounts within each performance outcome are further detailed by the operating unit's program accounts and activities as cited in the annual Budget in Brief. Information technology (IT) funding and FTE amounts are also displayed for each performance outcome. OMB requirements for meeting the Government Performance and

Results Act (GPRA) and for the Annual Performance Plan are addressed in [OMB Circular A-11, Section 200](#). Additional OMB requirements for the Performance and Accountability Report (PAR) may be found in OMB Circular A-136.

- 2) Operating units may be requested to provide information on funding at a different or more detailed level, such as line office program activity and strategic objectives, for program changes in Exhibit 12A.
- 3) The exhibit should include the following information for each performance outcome: description of how each performance outcome supports the corresponding Departmental strategic goal; priorities and challenges affecting the proposed budget; related performance measure summary with actual and target information; measure description; relevant program changes that apply to the performance measure with a cross-reference to Exhibit 13; and validation and verification information for each measure.
- 4) Performance data for program changes should also appear in Exhibit 13, and should include 20CY, the latest President's Budget, and 20BY, and three outyears. If a program change has no related GPRA measure, the operating unit should propose a measure that will become a GPRA measure if the program change is accepted.
- 5) Include a Table of Contents specific to Exhibit 3A. Arabic numerals should be used for page numbering.
- 6) The exhibit should include the following sections, also to be listed in the Table of Contents:
 - i) Mission: Limit this section to no longer than a half page.
 - ii) DOC Goals and Objectives and Operating Unit Outcomes: Discuss how the operating unit's outcomes support the Department's goals and objectives. Only include GPRA measures and significant long-term outcome measures. If a new outcome is added, a discussion that provides some context for the new outcome is required.
 - iii) PART Summary: Include discussion of relevant open PART recommendations and improvement plans. Status of prior year information in ExpectMore.gov may be cited as such and need not be repeated in the 3A. PART reviews done in prior years should only include scores, ratings, and open recommendations.
 - iv) Priorities and Management Challenges: Discuss how performance data and other evaluations have influenced the proposed budget and how the operating unit will improve program performance. A brief, high-level discussion of performance may be summarized here.

- v) **Targets and Performance Summary:** This section combines into one table respective performance measure details, including prior year actuals and current and budget year targets, measure description, comments on changes to targets, relevant program changes, and validation and verification sections. Use one table per measure. Only list GPRA and long-term outcome measures. Note that for the OMB submission, actuals should match prior year PAR.
- vi) **Program Changes:** The table for this section should cite the subsequent page in the budget justification where the program change and impact on performance measures are described in detail. Every proposed change should affect one or more GPRA measure. In rare instances where a proposed change does not affect a GPRA measure, propose a non-GPRA measure that will be affected. This measure will become a GPRA measure if the change is accepted. It is difficult to justify a program increase that does not reflect a measurable impact to a program. For more, please refer to [page III \(4\) -22](#).
- vii) **Resource Requirements Summary.** The dollar amounts should reflect total obligations (including recurring reimbursables).

E. Priority Ranking of Changes (Exhibit 4)

- 1) Listed, in priority order, are adjustments-to-base and program increases and decreases to the 20CY for an operating unit. The highest priority change is ranked (1). If it is intended that a program increase in one area is to be offset by a decrease in another, the two are ranked with the same priority number. The page number next to each item indicates the page where the detail of the program change begins in the Justification of Program and Performance (Exhibit 12). The activity, subactivity and item descriptors are those used in the justification. The ranking includes a total line for full-time equivalent employment and direct obligations.

F. Summary of Resource Requirements (Exhibit 5)

- 1) This schedule is included for each account in which direct obligations will occur in any year covered by the budget. It consists of two sections.
 - i) The first section tracks FTE, positions, direct obligations, budget authority and appropriations from the 20CY President's Budget to the operating unit's 20BY estimate. (For operating units with identical amounts for direct obligations, budget authority, and appropriations, the first section of the exhibit can be simplified to show only budget authority.) The section includes:
 - (a) The President's Budget, 20CY is the amount included in the President's 20CY budget, adjusted for any amendments which have been officially submitted to the Congress through OMB;

- (b) 20BY adjustments-to-base include uncontrollable cost changes;
 - (c) 20BY base is the 20CY President's Budget plus adjustments-to-base;
 - (d) 20BY program changes represent the net amount requested above or below the 20BY base; and
 - (e) 20BY estimate represents the resources requested for 20BY and is the total of the 20BY base plus the 20BY program changes.
- ii) The second section of the exhibit provides a comparison by activity. It summarizes by budget activity and subactivity the total FTE, positions, budget authority, and direct obligations related to the following columns:
- (a) 20PY Estimate;
 - (b) 20CY President's Budget;
 - (c) 20BY Base;
 - (d) 20BY Estimate; and
 - (e) Increase / (Decrease) over 20BY Base.
- 2) Additionally, any adjustments such as transfers, financing from prior years, fee collections, etc., should be included in the Adjustments to Obligations section.
- 3) The detail by activity and subactivity should be identical to the 20CY President's Budget *Appendix* unless a restructuring is proposed and an Activity/Subactivity Change Crosswalk, Exhibit 18 for 20CY or 19 for 20BY, is submitted.

G. Summary of Reimbursable Obligations (Exhibit 6)

- 1) This exhibit displays reimbursable obligations in the same format as the comparison by activity section of Exhibit 5.

H. Summary of Financing (Exhibit 7)

- 1) This is the same format as the Adjustments to Obligations section of Exhibit 5 but with the addition of lines for reimbursables and other offsetting collections. If there are no offsetting collections, this exhibit should be excluded.
- 2) Exhibit 7 shows the relationship between total direct obligations and the budget authority

and appropriation requested for 20PY, 20CY President's Budget, 20BY Base and 20BY estimate. The increase/(decrease) column will show the difference between the 20BY base and the 20BY estimate. The appropriation line reflects the effect of transfers.

- 3) This schedule is prepared on the assumption that all resources are expended in the year in which they become available unless there has been a policy decision to the contrary or, in the case of the budget year, a proposal to the contrary. Unobligated balances in 20CY and 20BY therefore, appear on this exhibit only as a result of policy decisions or budget year proposals.

I. Adjustments to Base (Exhibit 8)

- 1) This exhibit summarizes by item the budget authority and FTEs required for each adjustment-to-base (ATB). The ATBs are categorized by transfers, adjustments, financing, and other cost changes. A description of each of these categories is given in the next section. In order to qualify as an ATB, an increase or decrease must meet the following criteria:
 - i) represent the cost of the same level of effort as in 20CY;
 - ii) result from actions outside the control of operating unit management;
 - iii) be supported by specific documentation that provides a basis for the estimates; and
 - iv) be known, not probable, cost adjustments (i.e., a request for an ATB for increases in per diem rates should not be requested unless GSA has published new rates with an effective date).
- 2) Each spring, the Department's Office of Budget, Budget Coordination and Reports Division (BCRD), will issue annual guidance to aid in the development of the ATBs for the budget year. Included will be economic assumptions, standard benefit contribution rates, and information regarding other adjustments.

J. Justification of Adjustments to Base (Exhibit 9)

- 1) This exhibit details and justifies the amounts requested on Exhibit 8. Assumptions about factors such as retirement plan participation rates, health insurance rates, and life insurance rates are consistent throughout the explanations.
- 2) In the next sections, the most common ATBs are discussed. The format of this material includes general guidance, followed by a sample standard narrative to be used by operating units.
- 3) In computing ATBs, operating units should use whole dollars to calculate all adjustments

and round to thousands of dollars to determine the ATB. If a calculation comes out to exactly .5, round to the nearest even number. For example, 7.5 (or \$7,500) and 8.5 (or \$8,500) would be rounded to 8 (or \$8,000). Calculated rates should be rounded to three decimal points, (i.e., .051 or 5.1%). Rates provided by external sources will not be rounded.

- 4) ATBs should be based on the object class distribution provided in the 20CY congressional budget. Requests for realignments must be submitted to, and approved by, BCRD in advance of the Secretarial budget submission. It is suggested that operating units calculate standard ATBs using electronic spreadsheets (see Appendix B to this Chapter) available from BCRD. This will ensure consistency among all operating units and also facilitate the preparation and review of these cost changes. These worksheets should be submitted as backup to the request. Other ATB increases requested must be thoroughly justified as to why they are uncontrollable and include the supporting documentation used in developing the estimates.

- 5) Most Common ATBs

- i) Transfers

- (a) Justifications for transfers must identify the operating units and accounts involved in the transactions. They must also state the reason and the purpose of the transfer. Documentation implementing the transfer, such as a signed memorandum of understanding, should be forwarded as back-up.

- (b) Narrative example

- (1) Pursuant to a memorandum of understanding dated January 2, 20PY, one FTE and \$31,000 will be transferred to Salaries and Expenses, General Administration, to provide support for the financial management system.

- ii) Adjustments

- (a) Adjustments will include uncontrollable cost changes unique to specific operating units. Examples of ATBs in this category are non-recurring items requested in the 20CY budget and adjustments due to OMB action. One example of an OMB action that may require an ATB is a reduction to the 20CY request based on anticipated recoveries of prior year obligations. A operating unit may need to restore this reduction to the budget authority request to maintain the same program level.

- (b) Narrative examples

- (1) Funds of \$57,000 requested for 20CY data processing activities will not be required in 20BY.
- (2) In 20CY, the budget authority request was reduced by \$1,000,000 based on offsets from anticipated recoveries of prior year obligations in 20CY. This ATB would restore the reduction in 20BY to maintain the 20CY program level.

iii) Financing

- (a) This category would identify financing of the proposed program level from funds other than the general fund or a special fund. Examples are new fees and estimated 20BY recoveries of prior year obligations. These estimates would be reported as reductions to the requested budget authority.

(b) Narrative example

- (1) In 20BY, this operating unit expects to realize recoveries of prior year obligations of \$1.5 million. This amount will be used to offset the budget authority in 20BY.

iv) Other Changes

(a) Pay Raises

- (1) Operating units should include the cost of annualization of 20CY pay raises.

(i) Narrative example

1. Full-year cost of the 20CY pay increase and related costs.
The 20CY President's Budget assumes a pay raise of 3.6% to be effective January 1, 20CY.

- (2) In addition, [OMB Circular A-11](#) requires agencies to use the pay raise percentage increase released in the economic assumptions for the 20CY budget. These rates will be provided as part of the annual ATB guidance. The rates will be applied to the General Schedule, Foreign Service, Executive Schedule, the Senior Executive Service, and wage grade employees. Calculations of the pay raise may need revisions during the budget process based on revised OMB assumptions. The "A" Worksheets provide the format for computing pay raises.

(i) Narrative example

1. A general pay raise of 3.9% is assumed to be effective January 1, 20BY.

(b) Full-year cost in 20BY of positions financed for part-year in 20CY

- (1) Estimates for program changes that include additional personnel normally assume a delay in filling the new positions. That is, if a program increase requires four new people, cost estimates are based on the assumption that the four people will not start on October 1, 20BY, but on January 1, 20BY, due to the timing of the enactment of appropriations and personnel being hired and brought on-board. This would result in a 25% lower FTE usage in the initial year than subsequent years. The funding of this 25% increment in the second year is the annualization of the new positions and is treated as an ATB. The full-year amount is adjusted by a standard 5% lapse rate. Operating units should also include an adjustment to salaries to reflect the 20BY pay raise. See Worksheet B for more specific instructions and back-up format.

(i) Narrative example

1. An increase of \$57,189 is required to fund the full-year cost in 20BY of positions financed for part-year in 20CY. The computation follows.

(c) Changes in compensable days

- (1) Not all fiscal years have the same number of compensable days. When the budget year differs from the current year, the cost change would require an ATB. [OMB Circular A-11](#) includes a table with the number of compensable days over a four-year period. (See the section on Estimating Employment Levels and the Employment Schedule.) The number of compensable days in FY 2008 is 262, two more than 2007. FY 2009 and FY 2010 both have 261. Therefore, an ATB for a change in compensable days is necessary in FY 2008 and FY 2009.
- (2) The ATB is calculated by dividing the applicable personnel compensation and benefits for the current year by the number of compensable days in that year. If in a future year, there should be a difference of two compensable days, the above result would be multiplied by two. Include in the calculation, costs that vary with the number of compensable days, such as salaries, retirement contributions, TSP, OASDI, Medicare, and life insurance. Exclude costs that do not vary with the number of compensable days, such as the cost of other personnel compensation (overtime, SES performance awards, cash awards, health benefits, and the Employees'

Compensation Fund). Overtime may only be included if it is a significant portion of personnel costs and is a continuing requirement for executing routine duties. See Worksheet D for format of calculations.

(i) Narrative example

1. The increased cost of one more compensable day in 20BY compared to 20CY is calculated by dividing the 20CY estimated personnel compensation (\$6,708,000) and applicable benefits (\$791,000) by 261 compensable days. The cost increase of one compensable day is \$28,732.

(d) Civil Service Retirement System (CSRS)

- (1) Prior to January 1, 1984, most employees were covered by CSRS. On that date, the Federal Employees' Retirement System was implemented covering all new employees. Hence, as new employees are hired, the number and percentage of employees under CSRS decline. The decreased cost of employer contributions for CSRS is treated as an ATB and is the difference between the estimated cost of such contributions in 20CY and 20BY. Estimates for both years are based on total salaries subject to retirement; the CSRS participation rates (percentage of such salaries under CSRS); and the employer contribution rates. Salaries subject to retirement will be based on estimates provided in the 20CY congressional budget. The 20CY participation and contribution rates used in the calculations will be the percentages shown in the 20CY congressional budget. For 20BY, OB will issue annual guidance providing the projected participation rates for each operating unit. The CSRS contribution rates are set by law and will be included in the annual ATB guidance.

(i) Narrative example

1. The number of employees covered by the Civil Service Retirement System (CSRS) continues to drop as positions become vacant and are filled by employees who are covered by the Federal Employees Retirement System (FERS). The estimated percentage of payroll for employees covered by CSRS will drop from 62.5% in 20CY to 61.7% in 20BY for regular and Foreign Service employees and from 90.9% in 20CY to 82.8% in 20BY for law enforcement employees. Contribution rates will remain the same.

(e) Federal Employees Retirement System (FERS)

(1) This ATB reflects the increasing cost of employer contributions for the Federal Employees' Retirement System. The adjustment is the difference between the 20CY and 20BY costs of such contributions. Estimates for both years are based on the total salaries subject to retirement costs; the percentage of such salaries anticipated to be subject to FERS contributions; and the rate for employer contributions. Salaries subject to retirement will be based on estimates provided in the 20CY congressional justification. The 20CY percentage subject to FERS is the percentage shown in the pending 20CY budget request. The 20BY percentage equals the participation rate developed by the OB and provided to operating units. The Office of Personnel Management (OPM) is required by law to maintain FERS on a fully-funded basis. OPM uses periodic actuarial studies to determine funding levels necessary to maintain the viability of the system and adjusts contribution rates accordingly.

(i) Narrative example

1. The number of employees covered by FERS continues to rise as employees covered by CSRS leave and are replaced by employees covered by FERS. The estimated percentage of payroll for employees covered by FERS will rise from 37.5% in 20CY to 38.3% in 20BY for regular and foreign service employees. The estimated percentage of payroll for law enforcement employees covered by FERS will increase from 9.1% in 20CY to 17.2% in 20BY. The contribution rate for regular employees will decrease from 13% in 20CY to 12.9% in 20BY. For Foreign Service employees, the contribution rate will increase from 21.86% in 20CY to 25.20% in 20 BY. The contribution rate for law enforcement employees will remain the same.

(f) Thrift Savings Plan (TSP)

(1) Employees covered under CSRS and FERS may participate in TSP, a tax-deferred savings plan. CSRS employees may contribute to this plan at no cost to the Government. For FERS employees, the Government is required to contribute a minimum of 1% but no more than 5% of each employee's salary, determined by the amount of the employee's contribution. The exact percentage will vary based on each employee's contribution. Estimates of TSP are based on salaries subject to FERS retirement, FERS participation rates, and the operating unit's contribution rate. The first two factors will be based on the FERS computations (discussed in the above paragraph). For the contribution rate, 2% has been the standard rate used by most operating units. However, operating units may use actual payroll data to develop a

more accurate rate, but must submit supporting documentation as back-up.

(i) Narrative example

1. The cost of agency contributions to the Thrift Savings Plan will also rise as FERS participation increases. The contribution rate is expected to remain 2%.

(g) Old-Age, Survivors and Disability Insurance (OASDI)

- (1) Estimates are based on the percentage of total salaries subject to FERS; the percentage of such salaries subject to OASDI contributions; and the applicable employer contribution rate. The percentage of total salaries subject to FERS will be based on the FERS ATB calculations. The salaries subject to OASDI contributions are capped each year by law. As the cap is raised, the relevant percentage increases. Operating units will need to compute the percentage of salaries under FERS at or under the cap. The employer contribution rate will be included in the annual ATB guidance. The second part applies to those operating units having employees with salaries not subject to retirement contributions (i.e., temporary or intermittent employees). The estimate is based on the difference between total salaries and salaries subject to retirement contributions; the percentage of such salaries subject to OASDI contributions; and the applicable employer contribution rate.

(i) Narrative example

1. As the percentage of payroll covered by FERS rises, the cost of OASDI contributions will increase. In addition, the maximum salary subject to OASDI tax will rise from \$82,800 in 20CY to \$87,750 in 20BY. The OASDI tax rate will remain 6.2% in 20BY.

(h) Health Insurance

- (1) Health insurance is an optional benefit. Employees can elect not to participate or can choose among a wide range of plans. The cost estimate of employer contributions for health insurance varies widely depending on the health plans chosen by employees. To develop the ATB for health insurance, operating units should compare the average health insurance cost per person before and after the annual rate increase in January of each year. The percentage difference between the two would be applied to health costs reflected in the 20CY congressional budget. See Worksheet E for format of computation.

(i) Narrative example

1. Effective January 20PY, this operating unit's contribution to Federal employees' health insurance premiums increased by 10.7%. Applied against the 20CY estimate of \$366,000, the additional amount required is \$39,162.

(i) Federal Employees' Compensation Act

- (1) In the summer of each year, the Employment Standards Administration of the Department of Labor will provide the amount due for benefits paid on behalf of operating units' employees in the past year (July 1 through June 30) under the Federal Employees' Compensation Act. The difference between the current billing and the previous year's billing is requested as an ATB. For accounts subject to the appropriations process, the full amount billed is payable upon enactment of the 20BY appropriation.

(i) Narrative example

1. The Employees' Compensation Fund bill for the year ending June 30, 20PY, is \$7,225 higher than the bill for the year ending June 30, 20PY-1. Upon enactment of the 20BY appropriation, this operating unit will reimburse the Department of Labor \$82,824 pursuant to 5 U.S.C. 8147.

(j) Travel

- (1) When the General Services Administration (GSA) increases/decreases mileage and/or per diem rates, operating units should request the rate changes as ATBs. For mileage rate changes, the GSA rate difference would be applied against the mileage estimate in the 20CY congressional budget to arrive at the ATB. ATB requests for per diem changes should be based on each operating unit's historical pattern of visited sites. The specific locations and the frequency of the trips should be considered. Based on these data, each operating unit would compute an average rate change and apply it to the per diem estimate in the 20CY congressional budget. See Worksheet F for the format of the per diem ATB computation.

(i) Narrative example

1. Effective September 20PY-1, the General Services Administration raised the mileage rate from 32.5 cents to

34.5 cents per mile, a 6.2% rate increase. This percentage was applied to the 20CY estimate of \$31,000 to arrive at an increase of \$1,922.

2. Effective January 20PY, the General Services Administration raised per diem rates. This increase results in a 3.9% increase to this operating unit. This percentage was applied to the 20CY estimate of \$117,000 to arrive at an increase of \$4,563.

(k) Rental Payments to GSA

- (1) Each spring or early summer, the Department receives rate packages for GSA-controlled space. These packages are forwarded to each operating unit's space management staff for determining GSA costs for 20BY. The packages include proposed 20BY GSA rates and current square footage of each operating unit's location. Based on these data, space management staffs develop base estimates for GSA rent. Budget staff should contact that office for the estimated rent payment and request the increase or decrease over the 20CY estimate included in the 20CY congressional request as an ATB. If the estimates from this package are not prepared in time for inclusion in the Secretarial budget, operating units should use the interim average rate increase provided in the ATB guidance. However, this is only to be used until the estimates have been finalized using the GSA rate packages. At that time, operating units amend their requests to reflect the revised estimate.
- (2) After enactment of the 20CY appropriation and receipt of the OMB 20BY final allowance, rent estimates for both years may need revision. Budget and space management staffs should cooperate in developing the estimates for inclusion in the 20BY congressional budget.

(i) Narrative example

1. GSA rates are projected to increase 2.9% in 20BY. This percentage was applied to the 20CY estimate of \$1,618,000 to arrive at an increase of \$46,922.

(l) Postage

- (1) When the Postal Service implements changes in postage rates, operating units should request the cost increases as ATBs. The rate increase would be applied against the postage estimate in the 20CY congressional estimate to arrive at the ATB.

(i) Narrative example

1. Effective February 20PY, the Postal Service implemented a rate increase of 16%. This percentage was applied to the 20CY estimate of \$85,000 to arrive at an increase of \$13,600.

(m) Working Capital Fund, Departmental Management

- (1) OB will notify each operating unit of its allocation in the final ATB allowance letter during the Secretarial process.

(n) General Pricing Level Adjustment

- (1) Operating units may apply the most recent OMB non-pay Federal deflator to the 20CY congressional estimates for transportation of things, rental payments to others; communications, utilities, and miscellaneous charges (excluding postage); GPO printing, other contractual services (excluding CAMS and WCF), supplies and materials, and equipment to cover increases due to inflation. Applying this deflator negates the requirements for operating units to submit requests for specific contractual service and supply increases. Such requests will not be funded in allowances. Although there may be cost increases that exceed the applied deflator, there may be other terminating contracts or other unidentified decreases that may be used to accommodate any funding disparity for these items. The increased costs should be absorbed within amounts currently in base funding or within the overall adjustments-to-base requested for the general pricing level adjustment.

(i) Narrative example

1. This request applies OMB economic assumptions for FY 20BY to object classes where the prices the Government pays are established through the market system. Factors are applied to transportation of things (\$0); rental payments to others (\$0); communications, utilities and miscellaneous charges (excluding postage) (\$1,314); GPO printing (\$1,395); other contractual services (\$77,184); supplies and materials (\$1,476); and equipment (\$4,914).

K. Program and Performance: Direct Obligations (Exhibit 10)

- 1) This schedule displays the direct obligations and full-time equivalent employment associated with the line items within each subactivity. Where header strips for each item

in this exhibit and the next one are brief, they may be followed on the same page by the start of narrative information to avoid wasting space.

L. Program and Performance: Reimbursable Obligations (Exhibit 11)

- 1) This exhibit is no longer required. Information will be requested on an as needed basis.

M. Justification of Program and Performance (by Subactivity) (Exhibit 12)

- 1) The justification covers every subactivity for which direct obligations will be incurred or FTE used in any year covered by the budget. Column headings will be identical to those found in the "Summary of Resource Requirements." The justification includes the following subjects, each under a separate heading. Each header is centered.
- 2) Goal Statement - Each base program narrative begins with a brief statement of the subactivity's goals. The goal is a one or two sentence description that links to a specific measure of program impact previously described in the executive summary.
- 3) Base Program - The base program narratives describe each of the operating unit's subactivities in detail, and they provide a framework for assessing whether resources are being used efficiently and effectively. The program narratives provide supporting information about line items to further explain the work performed in each subactivity.
- 4) Statement of Operating Objectives - The next section presents the subactivity's objectives for the budget period. These objectives set targets for the specific work that will be performed in pursuit of policy objectives. They establish deadlines for achieving reorganizations, and they attempt to forecast when the benefits will be obtained. They define the expectations for the benefits to be derived from new technologies and initiatives.
- 5) Explanation and Justification - This section describes the subactivity's operations and services. It briefly describes the work carried out within the line items. It reveals which of the operating unit's organizations participate in the subactivity's operations. It explains what they do. It describes the field structure of the organizations, the characteristics of the client population, or any other facts needed to explain the nature and amount of work performed within the subactivity. It identifies major trends or other forces that can be expected to influence the subactivity during the budget period.
 - i) This section also explains the relationship between the subactivity's work and the operating unit's program impacts. It cites any evidence that measures the benefits of the subactivity's work or the contribution its work makes to the mission of the operating unit. It lists any factors that impede the measurement of the work's benefits and contributions.

- ii) Finally, it explains any alternative means of achieving equivalent benefits. It indicates whether private sector alternatives to its operations exist. It also mentions any other Government programs that provide similar or competing services. It describes why such alternative service delivery options are unsatisfactory.
- 6) Measures of Performance (all sources of funding) - This section forecasts changes in the level of services and operations of the subactivity. Its purpose is to illustrate trends in the level of the subactivity's work. It presents performance forecasts that compare to the performance level proposed in the previous President's Budget. It contains supporting narrative necessary to define and explain the performance measures and is consistent with the operating unit's performance plan. The performance measures section of the base narrative should contain all performance measures associated with each subactivity line item.
- 7) Proposed Legislation - The justification highlights all requirements for new authorizing legislation. Included are requirements for extension of existing legislation as well as any legislative proposals for lapse or repeal of existing legislation. A description of the proposed legislation should describe the new legislation in detail and justify the need for it. This section of the justification serves as the basis for the departmental legislative package proposal.
- N. Contribution to Strategic Planning Goals and Objectives (Exhibit 12A)
- OB will advise those operating units required to submit Exhibit 12A and will provide specific guidance as to what level of detail the data should be reported. For each program change, the Exhibit 12A shows 20PY, 20CY, and 20BY base, 20BY estimate, and increase/decrease from the base for program funding by line or program office.
- O. Program Change for 20BY (Exhibit 13)
- 1) The program change exhibit and its accompanying narrative are designed to provide sufficient information to understand what the operating unit is proposing and to determine whether the change is justified. The program change exhibit describes and lists substantive departures from the resource levels included in a subactivity's 20BY line item base. Program changes are defined as increases, decreases, or substantive changes without resource effects. The heading for this exhibit reads "Increase(s)," "Decrease(s)," or "Changes," as appropriate. The description of each change starts on a separate page.
 - 2) Summary - The program change exhibit and narrative begin with a summary line that indicates the line item that would be affected by the program change. It also shows the affected line item's base resource level, the 20BY estimate that includes the effects of the change, and the incremental amount of the program increase or decrease. Following the base resources summary line, in a separate paragraph, is a summary description of the change with its short title underlined. (The short title is followed by the incremental

amount of the change, in full-time equivalent employment and in dollars.)

- 3) Program Change Explanation and Justification - Following the summary description, if appropriate, describe specific components of the initiative and how the resources will be used. Do include a detailed discussion of past program performance and impact to current performance measures if funded. Especially important are those outcome oriented measures which indicate how the initiative impacts the economy (jobs, exports, etc.). Additionally, the initiative should also be put in the context of the Department's Strategic Plan by discussing which strategic themes and goals are supported. This discussion would be consistent with the operating unit's performance plan.
- 4) Performance Measures - Following the program change narrative is a table of the operating unit's performance measure(s) affected by the initiative. The table reflects the performance for 20CY, the latest President's Budget, 20BY and three outyears. The table should also reflect how performance will improve with the increase or change without the increase (or similarly how it will change with and without a decrease). These performance measures must be consistent with the measure(s) in the base narrative and in the operating unit's performance plan, or, if there is no related GPRA measure, include a proposed measure that will become a GPRA measure if the change is accepted. If the operating unit is unable to determine how the initiative affects current operating unit performance measures, the initiative may be subject to denial. Note that the Exhibit 3A cross-references this section. For more information refer to [page III \(4\) – 7](#).
- 5) Costs - Following the Performance Measures table is a summary table of the program change's resource affects in the budget year and the outyears. All outyear resources are expressed in 20BY dollars. If appropriate, estimated cost increases for outyear changes are shown on the Summary of Outyear Changes Requested (Exhibit 20).
- 6) Resource requirements for program increases are sorted according to whether or not they are capitalized. Capitalized resources are defined as those used to acquire goods or services that will remain available beyond the fiscal year in which they are acquired or first placed in service, whichever is later. As a general rule, capitalized resources fall into three object classes, as defined by the [OMB Circular A-11](#): other services (25.0), equipment (31.0), and land and structures (32.0). Not all resources in these object classes are necessarily capital resources, however. Footnotes at the bottom of Changes for 20BY (Exhibit 13), as appropriate, clarify the assumptions used to distinguish between capitalized and non-capitalized resources. For additional reporting requirements for requests for capital assets, refer to Volume III, Chapter 1.
- 7) The summary table also displays the initiative's budget authority, outlays, and FTE in the budget year and the outyears. Footnotes at the bottom of Changes for 20BY (Exhibit 13), as appropriate, indicate those program change proposals where the life-cycle costs and

benefits would not fully accrue during the period 20BY through 20BY+4. All such footnotes define the full life-cycle of the program change.

P. Program Change Personnel Detail (Exhibit 14)

- 1) This exhibit provides the basis for the estimate of personnel compensation for each program change requested. It includes the title and grade of each position and the number of positions requested for each. Salary figures reflect the 20CY rates at Step 1 of each grade for program increases and are based on the pay rate of the location where the new employees will be assigned. Estimates for salaries for program increases assume that new positions are filled no sooner than the beginning of the second quarter of the year. Such estimates, therefore, reflect no more than 75 percent of the full year cost of new positions. An adjustment for the 20BY pay raise to total salaries is shown on one line entry.
- 2) For program decreases, the current grades and steps for all positions to be eliminated are shown. An amount for benefits to former personnel is usually included when eliminated positions are not picked up elsewhere.

Q. Program Change Detail by Object Class (Exhibit 15)

- 1) This exhibit shows the object class detail for each program change requested. The table includes all major object classes even if no funds are required for some.

R. Summary of Requirements by Object Class (Exhibit 16)

- 1) This exhibit is included for each account in which direct obligations will occur in any year covered by the budget. The Increase/(Decrease) column compares the 20BY Estimate to the 20BY Base. The total 20BY increase/decrease of all Exhibits 15 should equal the total increase/decrease column on the Summary of Requirements by Object Class, Exhibit 16. For more information on object classification, refer to [OMB Circular A-11](#).

S. Detailed Requirements by Object Class (Exhibit 17)

- 1) This exhibit follows the same format as the Summary of Requirements by Object Class (Exhibit 16), but provides more detail for the object classes. If other detailed categories are necessary, they may be included. The level of detail in the sample exhibit is the minimum level of detail required. For more information on object classification, refer to [OMB Circular A-11](#).

T. Activity/Subactivity Change Crosswalk (Part I - CY Structure) (Exhibit 18)

- 1) If no changes are proposed to appropriation or activity structure, this exhibit is not required.
- 2) If a change to appropriation or activity structure is proposed, this exhibit should be included displaying the budget request in terms of 20CY's Presidential budget structure and the proposed new structure.
- 3) The crosswalk displays the 20BY total direct obligations request in the activity/subactivity structure from the 20CY congressional justifications. It indicates the changes being proposed for 20BY and accounts for all subactivities. If no changes are proposed for a subactivity, it indicates "No change" under the "Proposed Changes" section of the table.

U. Activity/Subactivity Change Crosswalk (Part II - BY Structure) (Exhibit 19)

- 1) This crosswalk displays the activity/subactivity structure proposed for 20BY and redistributes total direct obligations amounts for 20PY-2 to 20BY in terms of the new structure. The amounts shown in the 20BY column reconcile to the changes proposed in Exhibit 18. The amounts shown in all Exhibits 19 reconcile to Exhibit 18.

V. Summary of Outyear Changes Requested (Exhibit 20)

- 1) This table summarizes the requests for program changes and other adjustments in the budget year that will affect years 20BY+1 through 20BY+4. To ensure consistent starting points for the analysis and use of information in this table, it starts with a base program row, and includes rows for program changes; pay raises and estimated cost changes.
- 2) Program Changes - Listed here are annualization of 20BY program changes and other outyear program changes justified in the body of the narrative that involve changes in any of the years 20BY+1 through 20BY+4. Amounts are stated in terms of changes from the 20BY base. A program change which involves \$750,000 in 20BY and \$1 million in 20BY+1, for example, is shown here as \$1 million for 20BY+1.
- 3) Other Adjustments and Anticipated Cost Increases - Also listed and explained are all other adjustments.

W. Outyear Bridge Table (Exhibit 21)

- 1) This exhibit is no longer required. Outyear information will be provided in Exhibit 20.

X. Outlay Analysis Table (Exhibit 22)

- 1) This table provides outlay data for each account in which there are planned or actual outlays in any of the years 20PY through 20BY+4. Normally outlays for an account are projected on the basis of a single set of estimates of the rate at which funds will be outlaid for obligations. These estimates normally take the form of the percentages of a year's obligations for which funds will be outlaid in that year and each succeeding year. These percentages are often referred to as "spendout rates" and should be rounded to the nearest whole number. In cases, however, where programs within a single account have distinctly different spendout rates, such rates are used for projections and the standard table is modified accordingly.
- 2) In computing outlay spendout rates, operating units should consider the various lengths of time to liquidate different classes of obligations. For example, whereas payroll obligations are 95% outlaid in the year of obligation, construction obligations could take several years to be liquidated. Therefore, each operating unit should review their different sources of outlays in developing overall spendout rates. As follow-up, estimated outlays should be checked against actual outlays periodically to test their validity. For one-year accounts, a good source is the Treasury Annual Report which details the outlays made during the current year by the fiscal year in which the obligation was made. For no-year accounts, operating units will have to rely on internal financial reports for verifying the spendout rates.
- 3) Resources Available for Outlay - This column shows all resources available to be outlaid. These resources consist of obligated balances at the start of 20PY and estimated obligations for 20PY - 20BY+4.
- 4) For selected revolving funds, where net obligations would be a negative number, the table should use gross obligations to calculate gross outlays and include a line for subtracting the absolute value of offsetting collections to arrive at net outlays. Exhibit 22 (Alternate) provides the format to use for these funds.
- 5) Outlays
 - i) The spendout rates used are consistent with the 20CY President's Budget. If different spendout rates are used, a narrative explanation is provided on a separate page following the outlay table. An explanation is also provided if spendout rates vary from year to year. Some reasons for proposing changes in spendout rates include one-time programmatic events or a consistent variance in the past between actual and estimated outlays.
 - ii) The total outlays shown in the last column equal the resources available for outlay for each year unless the projected spendout exceeds the number of years available on the table.

- iii) If outlay estimates for 20PY and 20CY do not agree with the figures from the 20CY President's Budget, an explanation is provided on a separate page.

Y. Summary of Information Technology (Exhibit 23)

- 1) This table identifies financial resources for the prior, current, and budget years at the activity/subactivity levels reported on Exhibit 5. It cites IT investments within the activities/subactivities by title and unique project identifier used in the Agency IT Investment Portfolio ([OMB Circular A-11 Exhibit 53](#)). The data reported must be consistent with information provided on Exhibit 53.

Z. Appropriations Requiring Authorizing Legislation (Exhibit 29)

- 1) This exhibit is no longer required.

AA. Justification of Proposed Language Changes (Exhibit 32)

- 1) This table details substantive language changes to appropriation language included in the 20CY President's Budget. Changes should be sequentially numbered and footnoted in a brief paragraph describing the rationale for the proposed language change. Quotation marks should be used properly. Provisions proposed for deletion should be bracketed and new language should be underlined.

**SECTION 27 – PRESENTATION, PAPER SIZE, PRINTING, ELECTRONIC
SUBMISSION**

- A. Fifteen copies of the budget justification should be provided to the Budget Coordination and Reports Division of the Office of Budget for distribution by the deadlines stated in Part A of this Section.
- B. Presentation
 - 1) All narrative materials are typed single spaced in accordance with the formats provided in the exhibits.
 - 2) All exhibits begin on a separate page.
 - 3) The material is be clear and sharp and should contain no penciled additions, deletions or corrections.
 - 4) The Summary of Resource Requirements is printed on salmon-colored paper.
- C. Paper Size
 - 1) All narratives and exhibits are printed in landscape mode on 8 ½ by 11 inch paper.
- D. Exhibit and Page Numbering
 - 1) Each exhibit is numbered according to the established Department of Commerce convention, with "Exhibit XX" shown in the upper right hand corner of the exhibit's first page. Page numbers are preceded by the agency designations shown below. All pages are numbered consecutively within each agency. Page numbers appear in the lower right hand corner. Any changes or corrections made in the pages after the initial submission to the Department are marked "Revised" and dated. For example: DM-1 Revised 06-18-02.
- E. Agency Designations

Agency – Full Name	Agency Designation
Departmental Management	DM
Office of Inspector General	OIG
Economic Development Administration	EDA
Bureau of the Census	CEN
Economic and Statistical Analysis	ESA
International Trade Administration	ITA
Bureau of Industry and Security	BIS
Minority Business Development Agency	MBDA
National Oceanic and Atmospheric Administration	NOAA

Agency – Full Name	Agency Designation
Patent and Trademark Office	USPTO
Technology Administration	TA
National Institute of Standards and Technology	NIST
National Technical Information Service	NTIS
National Telecommunications and Information Administration	NTIA

F. Printing

- 1) The following instructions are included on the CD-10:
 - i) Three-hole punch;
 - ii) 3/8" drill to be used;
 - iii) 4-1/4" center to center;
 - iv) To be centered on page;
 - v) Outside holes to be 1/4 inches from center of hole to edge of paper;
 - vi) Do not staple; and
 - vii) Print on both sides.
- 2) A sample for punching is normally attached to the CD-10.

G. Electronic Submission

- 1) The Office of Budget may provide electronic formats for operating unit use in submitting budget exhibits. Additionally, specific direction may be provided for operating units to submit their entire justifications electronically.

SECTION 28 – PERFORMANCE AND ACCOUNTABILITY REPORT (PAR)

- A. The Office of Budget oversees the development of the Performance and Accountability Report (PAR) and the five-year Departmental Strategic Plan. These documents are required by the Government Performance and Results Act (GPRA).
- B. The Reports Consolidation Act of 2000 requires the combining of the Department's Accountability Report with the Annual Program Performance Report. The Office of Budget (OB) coordinates this effort with the Office of Financial Management (OFM) and the Office of Management and Organization (OMO). OB completes the Performance Report section; OMO completes the Management Discussion and Analysis section; and OFM completes the Financial Report section. The operating units are informed of scheduled deadlines and requirements.
- C. In FY 2007, OMB initiated an alternative to the current PAR document and process, called the PAR pilot program. This program allows agencies to split the PAR into two separate documents, the Annual Financial Report (AFR) and the Annual Performance Report (APR). The deadline for the AFR remains November 15 of each year. The APR accompanies the submission of the Congressional budget in early February. At this time, the Department of Commerce has elected to complete a standard PAR, however, it is open to selecting the split option in the future.
- D. The PAR is organized into the following five sections:
 - 1) Introduction
 - 2) Management Discussion and Analysis (MD&A)
 - 3) Performance
 - 4) Financial
 - 5) Appendices
- E. The introduction includes the following:
 - 1) The Department at a Glance: Summarizes the Department in terms of history, mission, operating units, strategic goals, location, employees, financial resources and internet Web site.
 - 2) Table of Contents
 - 3) Statement from the Secretary: Provides an overview of the 20PY performance from the Secretary.

- F. The MD&A is the most complicated of the five PAR sections and includes the following parts:
- 1) Mission and organization: States the Commerce mission statement and shows its current organizational structure.
 - 2) FY 20XX Performance and financial highlights: Summarizes the Department’s performance and financial position in the form of text, tables and charts.
 - 3) The Department of Commerce Process for Strategic Planning and Performance reporting: Outlines the process the Department has taken in terms of reporting performance.
 - 4) Most Important Results: Summarizes the results of each of the Commerce Strategic Goals.
 - 5) Stakeholders and crosscutting programs: In tabular format, summarizes the other agencies that work with and have a stake in Commerce programs.
 - 6) The President’s Management Agenda: Summarizes the current Commerce status for each of the major five parts of the President’s Management Agenda.
 - 7) Management Controls: Outlines the status of various management controls in place at Commerce.
 - 8) Inspector General’s statement of management controls: Summarizes the top ten management challenges the Department currently faces.
 - 9) Actions taken to address management challenges: Summarizes actions the operating units have taken in response to these challenges.
 - 10) Program Assessment Rating Tool (PART) status: Summarizes how Commerce has performed historically in terms of the PART and presents the most recent results.
- G. The Office of Budget and the corresponding operating unit representatives complete the performance section. This section serves as the base for the Annual Performance Report should the Department ever decide to split the PAR. The performance section is structured by the three Commerce strategic goals and one management integration goal. Within each strategic goal are either three (Strategic Goal 2) or four (Strategic goals 1 and 3) objectives. Strategic goals 1 and 2 and the management integration goal cover more than one operating unit, while Strategic Goal 3 is strictly NOAA. Within each objective are performance outcomes. Within these performance outcomes are text and tables of a given fiscal year’s performance focusing on a operating unit’s achievement of a set of targets related to performance measures. At the end of each objective is a section for “strategies and future

plans” and “challenges for the future.” In the case of NOAA, these strategies and challenges are summarized for the entire strategic goal.

- H. The financial section is completed entirely by the Office of Financial Management and would be the basis for the Annual Financial Report, should the Department ever decide to split the PAR. It includes the following sections:
1. Message from the Chief Financial Officer
 2. Financial Management and Analysis
 3. Debt Management
 4. Payment Practices
 5. Analysis of FY 20PY Financial Conditions and Results
 6. Limitations of the Financial Statements
 7. Principal Financial Statements
 - i. Consolidated Balance Sheets
 - ii. Consolidated Statements of Net Cost
 - iii. Consolidated Statements of Changes in Net Position
 - iv. Combined Statements of Budgetary Resources
 8. Notes to the Financial Statements
 9. Consolidating Balance Sheet
 10. Required Supplementary Information
 11. Requirement Supplementary Stewardship Information
 12. Independent Auditors’ Report
- I. The Appendix section consists of the following six appendices:
1. Appendix A: Performance and Resources Tables – Provides a history of the performance measures that appear in the current PAR, with at least six years of historical data. Between FY 2008 and FY 2011, the Department is transitioning to ten years of historical

data by keeping prior years and adding the new data. Further, this appendix provides an explanation of why a current target was not met, along with a strategy of how that target may be met in the future. It does not include any information on performance measures that have been discontinued.

2. Appendix B: Discontinued or Changed Performance Outcomes / Objectives and Measures – Shows any changes that have been made between the current year’s PAR and the previous year’s PAR regarding performance outcomes and measures.
 3. Appendix C: Performance Measures Definitions – Provides definitions of the current measures, including validation and verification information for the measures.
 4. Appendix D: Improper Payments Information Act (IPIA) Report Details – Provides mandatory summary information concerning IPIA information.
 5. Appendix E: Summary of Financial Audit and Management Assurances – Two tables provide summaries of both of these items.
 6. Appendix F: Glossary of key acronyms
- J. Electronic Submission - The Office of Budget provides electronic template formats for operating unit use in submitting annual performance plans and reports. Additionally, specific direction will be provided for operating units to submit their entire plans/reports electronically.

SECTION 29 – CAPITAL ASSET PLAN AND BUSINESS CASE (EXHIBIT 300)

- A. For the OMB submission, appropriate IT staff must complete an Exhibit 300, Capital Asset Plan and Business Case for all new IT budget investments and modifications or enhancements to existing systems approved by the Department. An Exhibit 300 is also required for major systems meeting the criteria defined by [OMB Circular A-11, Section 300](#), Planning, Budgeting, Acquisition, and Management of Capital Assets. The level of detail in the Exhibit 300 should be commensurate with the magnitude of the investment. All non-major projects must be described in an Exhibit 300-1, an abbreviated form of the Exhibit 300. For each initiative, also provide a brief, high-level Initiative Summary describing the initiative, the fiscal year budget increase, the life cycle cost, and the budget line(s) providing the funding. A template of the Initiative Summary appears at the end of this section. Exhibit 300s have the same due date as the OMB submission.
- B. IT initiatives must be a product of the operating unit's capital planning and investment control (CPIC) process. As part of the overall budget submission, provide a description of the CPIC process used to evaluate and select this year's investments. This description is due at the same time as the budget submission.
- C. Key areas of the Exhibit 300 business case:
- 1) Adequate resources should be dedicated to IT security to ensure that the operating unit's system and data integrity and continuity of operations are at an acceptable level of risk. A description in the Exhibit 300 of the system's security and identification of the percent of dollars spent on IT security is required as part of the budget submission.
 - 2) Enterprise Architecture also requires attention. Answer the architecture questions in the Exhibit 300 completely and carefully. Ensure that the architecture documentation is up-to-date.
 - 3) In addition to identifying the sponsor and key members of the project team, the business case should discuss the project management structures, responsibilities, and personnel qualifications that will contribute to the successful achievement of cost, schedule, and performance goals.
 - 4) Solid performance measures are a core element in your justification.

THE OMB PROCESS

VOLUME III (CHAPTER 4) - APPENDIX A

EXHIBITS

Assumptions shown in the exhibits are for illustrative purposes only.

APPENDIX A - EXHIBITS FOR SUBMISSION TO THE OFFICE OF MANAGEMENT AND BUDGET

Assumptions shown in exhibits are for illustrative purposes only.

TABLE OF CONTENTS

<u>Exhibit</u>	<u>Page Number</u>
<u>Number</u>	
Exhibit 1	A - III (3) - 1
Exhibit 2	A - III (3) - 2
Exhibit 3	A - III (3) - 3
Exhibit 3A	A - III (3) - 5
Exhibit 4	A - III (3) - 10
Exhibit 5	A - III (3) - 11
Exhibit 6	A - III (3) - 12
Exhibit 7	A - III (3) - 13
Exhibit 8	A - III (3) - 14
Exhibit 9	A - III (3) - 15
Exhibit 10	A - III (3) - 24
Exhibit 11	A - III (3) - 26
Exhibit 12	A - III (3) - 27
Exhibit 13	A - III (3) - 28
Exhibit 14	A - III (3) - 34
Exhibit 15	A - III (3) - 35
Exhibit 16	A - III (3) - 41
Exhibit 17	A - III (3) - 43
Exhibit 18	A - III (3) - 50
Exhibit 19	A - III (3) - 51
Exhibit 20	A - III (3) - 52
Exhibit 22	A - III (3) - 53
Exhibit 29	A - III (3) - 54
Exhibit 26	A - III (3) - 56

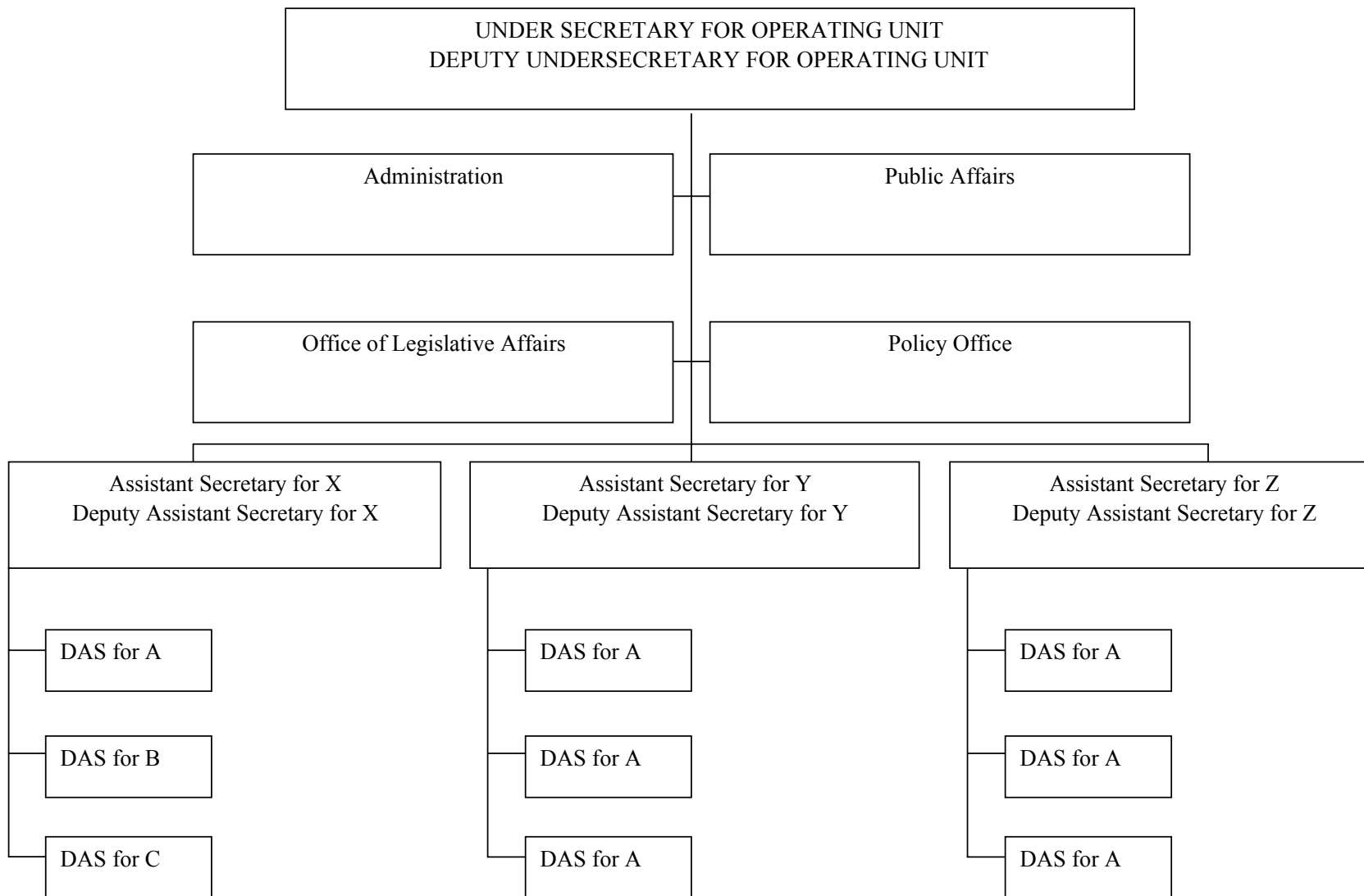
**DEPARTMENT OF COMMERCE
OPERATING UNIT OF COMMERCE
Budget Estimates, Fiscal Year 20BY
Secretarial Submission**

Table of Contents

<u>Exhibit Number</u>	<u>Exhibit</u>	<u>Page Number</u>
2	Organization Chart	OUOC-
3	Executive Summary	OUOC-
3A	Summary of Goals, Objectives and Performance Measures	OUOC-
3B	Resource Requirements to Support Departmental Strategic Plan	OUOC-
4	Priority Ranking of Program Changes	OUOC-
5	Summary of Resource Requirements: Direct Obligations	OUOC-
6	Summary of Reimbursable Obligations	OUOC-
7	Summary of Financing	OUOC-
8	Adjustments to Base	OUOC-
9	Justification of Adjustments to Base	OUOC-
10	Program and Performance: Direct Obligations	OUOC-
11	Program and Performance: Reimbursable Obligations	OUOC-
12	Justification of Program and Performance	OUOC-
13	Increases/Decreases/Changes for 20BY*	OUOC-
14	Program Change Personnel Detail*	OUOC-
15	Program Change Detail by Object Class*	OUOC-
16	Summary of Requirements by Object Class	OUOC-
17	Detailed Requirements by Object Class	OUOC-
18	Activity/Subactivity Change Crosswalk - Part I (CY)	OUOC-
19	Activity/Subactivity Change Crosswalk - Part II (BY)	OUOC-
20	Summary of Outyear Changes Requested	OUOC-
22	Outlay Analysis Table	OUOC-
29	Legislative Proposals	OUOC-

* If applicable.

**Department of Commerce
Operating Unit of Commerce**



Department of Commerce
Operating Unit of Commerce
Budget Estimates, Fiscal Year 20BY

General Statement
[DESCRIPTION]

The executive summary is a free-standing summary of the operating unit's budget request. It is a succinct, multi-purpose document. It provides a policy context. It proposes program objectives. It describes the impact of programs. It presents the budget estimates. The executive summary is suitable for separating from the rest of the budget and for informing others, quickly and clearly, about the operating unit's budget request. It includes the following

Goals of the Program

Statement of Objectives

This section must include the following:

- Summary of key things the unit wants to accomplish;
- Separation of high and low priority budget activities and anticipated outcomes of each; and,

Summary of Proposed Increases/Decreases

The operating unit provides a listing of proposed budget increases by naming each, identifying the BY FTE and dollar requests, and providing a brief paragraph explaining the purpose of each.

Summary of Performance and Resources

- Performance:
 - Measures of major performance "impacts" indicating the effects the program has on society.
 - Role is to illustrate the changes in program performance the operating unit expects to achieve in the budget period.
- Resources
 - Discusses program changes approved in the 20BY planning ceiling.
 - Summarizes resources needed to achieve forecasted performance levels.
 - Benchmark for the request is the preceding year's President's budget.

**Department of Commerce
Operating Unit of Commerce
FY 20BY Annual Performance Plan**

Table of Contents

- Section 1. Mission
- Section 2. Corresponding DOC Strategic Goal and Objective / Outcome
- Section 3. PART Summary
- Section 4. Priorities / Management Challenges
- Section 5. Target and Performance Summary Table (with brief measure descriptions) / Validation and Verification
- Section 6. FY 20BY Program Changes [None except anomalies for this year's budget]
- Section 7. Resource Requirements Summary

Mission

Your mission statement and discussion should be no more than a half page. Print your mission in black on white background.

Corresponding DOC Strategic Goal, Objective / Outcome

Be sure to state the corresponding DOC Strategic Goal and Objective

The Objectives or Outcomes must match the DOC FY 20[PY-1]-20[BY+2] Strategic Plan.

Include a description of the performance outcome [or objective for NOAA]. This description must discuss how your bureau's performance outcomes support the Department's goals consistent with the FY 20[PY-1]-20[BY+2] Strategic Plan.

PART Summary

Provide this information in the following table for PART reviews. Only include open recommendations. Below the table, please include a discussion of how PART and other performance information has influenced your FY 20BY request.

Program:	Year	Score	20PY Funding	20CY Funding Estimate	20BY Funding Request
Open recommendations: 1 2 3					

[Please include discussion here.]

Priorities / Management Challenges

You must provide a discussion as to how priorities and management challenges affect the proposed budget.

Targets and Performance Summary / FY 20BY Target Description / Measure Descriptions / Validation and Verification

Combine the Target and Performance Summary, FY 20BY Target Description, Measure Description, Relevant Program Increase(s), and Validation and Verification information the specific measure into the same table, one table per measure (there should be white space between measures, for readability). Simplify measure descriptions to no more than three sentences. Limit this table to GPRA measures. Non-GPRA measures such as internal measures may be included in the initiative text later in the Exhibit 13 performance table, if these support the initiative. Regarding V&V, you should be able to copy in the relevant line of information for each measure from last year’s section 9 table. Use the following table:

Outcome 1 – [NAME OF OUTCOME]							
Measure: [NAME OF MEASURE]		FY 20[PY-3] Actual	FY 20[PY-2] Actual	FY 20[PY-1] Actual	FY 20PY Target	FY 20CY Target	FY 20BY Target
Description: [Please keep your measure description to a short paragraph.]							
Comments on Changes to Targets: [Include any information on why you are changing your FY 20PY or FY 20CY targets here.]							
Relevant Program Change(s):	Title:						Exhibit 13 Page no:
	[Enter the Title of the Program Change here.]						[Enter the page no. of the program change here.]
Validation and Verification							
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken		

Performance tables in Exhibit 13 (The Increase / Decrease exhibit) should include the measure number and APP (Exhibit 3A) page number when described in Exhibit 13. Describe Non-GPRA measures in Exhibit 13 only. NOTE: NOAA presents this information in Exhibit 12A.

Actual data for FY 20[PY-3] to FY 20[PY-1] should match that in the FY 20[PY-1] PAR. If it does not, an explanation is mandatory. For the congressional submission, please use the FY 20PY actuals (as reported for the FY 20PY PAR).

FY 20BY Program Changes

It is okay to note that there is a relevant non-GPRA (internal) measure(s), however, do not describe it (them) in the APP section as if it were a GPRA measure. Move descriptions of non-GPRA (internal) measures to exhibit 13 as shown below.

List program changes in the order that they appear in the budget (exhibit 13). Replace the “GPRA outcome” column with the APP page number in the measure description. See

	Accompanying GPRA		Base		Increase/Decrease		Page of Exhibit 13 Discussion
	APP Page no.	Performance Measure no.	FTE	Amount	FTE	Amount	
Program Change:							

Exhibit 13:

The performance tables included in Exhibit 13 should have the following information:

Measure Name, Number, APP Page [IF IT IS A GPRA MEASURE CITE THE MEASURE NUMBER AND THE APP PAGE NUMBER]		FY 20PY Target	FY 20CY Target	FY 20BY Target	FY 20[BY+1] Target	FY 20[BY+2] Target	FY 20[BY+3] Target
	With Increase						
	Without Increase						
Description [ONLY INCLUDE IF THIS IS NOT A GPRA MEASURE. DO NOT FILL IN THIS SECTION FOR A GPRA MEASURE, WHICH WOULD BE DESCRIBED IN THE APP]							

Resource Requirements Table

	FY 20[PY-3] Actual	FY 20[PY-2] Actual	FY 20[PY-1] Actual	FY 20PY Estimate	FY 20CY Estimate	FY 20BY Base	Increase/ Decrease	FY 20BY Request
Performance Outcome 1: (title)								
List programs or line items (whichever applicable)								
Performance Outcome 2: (title)								
List programs or line items (whichever applicable)								

Grand Total								
Total Funding								
Direct								
Reimbursable								
IT Funding								
FTE								

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
PRIORITY RANKING OF 20BY PROGRAM CHANGES
 (Dollar amounts in thousands)

Rank	Page No.	Activity/Subactivity	Item	FTE	Direct Oblig.	Outlay
1	OUOC -	Business Development	Demonstration Projects	24	17,703	8,852
2	OUOC -	Program Management	Research & Innovation	0	4,500	2,250
<hr/>						
Total, program changes				<hr/> 24	<hr/> 22,203	<hr/> 11,102

Department of Commerce Operating Unit of Commerce Salaries and Expenses SUMMARY OF RESOURCE REQUIREMENTS (Dollar amounts in thousands)												
Page No.												
		Positions	FTE	Budget Authority	Direct Obligations							
	President's Budget, 20CY	133	120	28,881	29,881							
	20BY Adjustments to base:											
	plus: Restoration of recoveries/unobligated balances used to offset 20CY appropriation/non-recurring			(1)	1,000							
	plus: Uncontrollable cost changes			1	452	452						
	less: Estimated recoveries, 20BY			(1,500)								
	20BY Base	133	120	28,833	30,333							
	plus: 20BY Program changes	32	24	22,203	22,203							
	20BY Estimate	165	144	51,036	52,536							
		20PY Estimate		20CY President's Budget		20BY Base		20BY Estimate		Increase/(Decrease over 20BY Base)		
	Comparison by activity/subactivity: with totals by activity	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	
OUOC -	Business Development	Pos./BA	51	16,352	51	16,829	51	16,850	83	34,553	32	17,703
		FTE/Obl.	46	16,755	46	17,329	46	17,600	70	35,303	24	17,703
OUOC -	Program Management	Pos./BA	82	10,902	82	12,052	82	11,983	82	16,483	0	4,500
		FTE/Obl.	74	11,170	74	12,552	74	12,733	74	17,233	0	4,500
	Total	Pos./BA	133	27,254	133	28,881	133	28,833	165	51,036	32	22,203
		FTE/Obl.	120	27,925	120	29,881	120	30,333	144	52,536	24	22,203
	Adjustments for:											
	Recoveries					(1,000)	(1,500)	(1,500)				
	Unobligated balance, start of year			(671)								
	Unobligated balance transferred											
	Unobligated balance, end of year											
	Unobligated balance expiring											
	Financing from transfers:											
	Transfer from other accounts (-)											
	Transfer to other accounts (+)											
	Appropriation	27,254		28,881		28,833		51,036		22,203		

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
SUMMARY OF REIMBURSABLE OBLIGATIONS
 (Dollar amounts in thousands)

Comparison by activity:	20PY Estimate		20CY President's Budget		20BY Base		20BY Estimate		Increase/ (Decrease)	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
	Business Development	0	475	0	475	0	475	0	475	0
Total	0	475	0	475	0	475	0	475	0	0

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
SUMMARY OF FINANCING
(Dollar amounts in thousands)

	20PY Estimate	20CY President's Budget	20BY Base	20BY Estimate	Increase/ Decrease/ over 20BY Base
Total Obligations	28,400	30,356	30,808	53,011	22,203
Offsetting collections from:					
Federal funds	(475)	(475)	(475)	(475)	0
Trust funds	0	0	0	0	0
Non-Federal sources	0	0	0	0	0
Recoveries	0	(1,000)	(1,500)	(1,500)	0
Unobligated balance, start of year	(671)	0	0	0	0
Unobligated balance transferred	0	0	0	0	0
Unobligated balance, end of year	0	0	0	0	0
Unobligated balance expiring	0	0	0	0	0
Budget Authority	27,254	28,881	28,833	51,036	22,203
Financing:					
Transfer from other accounts (-)	0	0	0	0	
Transfer to other accounts (+)	0	0	0	0	
Appropriation	27,254	28,881	28,833	51,036	22,203

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
ADJUSTMENTS TO BASE
(Dollar amounts in thousands)

	<u>FTE</u>	<u>Amount</u>
Transfers of Estimates	0	0
Adjustment	(1)	943
Financing		(1,500)
Other Changes:		
20CY Pay raise		71
20BY Pay raise	0	223
Full-year cost in 20BY of positions financed for part-year in 20CY	1	57
Within-grade increases		32
Change in compensable days		0
Civil Service Retirement System (CSRS)		(62)
Federal Employees Retirement System (FERS)		6
Thrift Savings Plan		1
Federal Insurance Contribution Act (FICA) - OASDI		6
Health insurance		39
Employees Compensation Fund		0
Travel:		
Mileage		2
Per diem		0
Rental payments to GSA		47
Postage		0
Printing and reproduction		2
NARA Storage & Maintenance		0
Other services:		
Working Capital Fund		0
CAMS		0
Grants		0
General Pricing Level Adjustment		85
Subtotal, other changes	1	509
Total, adjustments to base	0	(48)

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
JUSTIFICATION OF ADJUSTMENTS TO BASE
 (Dollar amounts in thousands)

	FTE	Amount
<u>Transfer</u>	(1)	(31)
<i>Pursuant to a memorandum of understanding dated January 2, 20PY, one FTE and \$31,000 will be transferred to Salaries and expenses, General Administration, to provide support for the financial management system.</i>		
<u>Adjustment</u>	(1)	943
Restoration of recoveries used to offset 20CY appropriation		
In 20CY, the budget authority was reduced by \$1,000,000 based on offsets from anticipated recoveries of prior year obligations in FY 20CY. This ATB would restore the reduction in FY 20BY, maintaining the approved program level.	0	1,000
Non-recurring funds from FY 20CY data processing activities Funds of \$57,000 requested for 20CY data processing activities will not be required in 20BY.	(1)	(57)
<u>Financing</u>	0	(1,500)
In 20BY, this bureau expects to realize recoveries of prior year obligations of \$1,500,000. This amount will be used to offset the budget authority in 20BY.		

	FTE	Amount
Other Changes:		
<u>Pay Raises</u>		294
Full-year cost of 20CY pay increase and related costs:		
The 20CY President's budget assumes a pay raise of 3.6% to be effective January 1, 20CY.		
Total cost in 20BY of 20CY pay increase		285,000
Less amount funded in 20CY		<u>(214,000)</u>
Amount requested in 20BY to provide full-year cost of 20CY pay increase		71,000
20BY pay increase and related costs:		
A general pay raise of 3.9% is assumed to be effective January 1, 20BY.		
Total cost in 20BY of pay increase		222,000
Payment to Working Capital Fund		<u>1,000</u>
Total, adjustment for 20BY pay increase		223,000
<u>Full-year cost in 20BY of positions financed for part-year in 20CY</u>	1	57
An increase of \$57,189 is required to fund the full-year cost in 20BY of positions financed for part-year in 20CY. The computation follows:		
Annual salary of new positions in 20CY	4	218,428
Less 5 percent lapse		<u>(10,921)</u>
Full-year cost of personnel compensation	4	207,507
Less personnel compensation in 20BY		<u>(3) (163,821)</u>
Cost of personnel compensation in 20BY	1	43,686
Adjustment for 20BY pay raise (.047 x .75 x 43,686)		<u>1,540</u>
Add'l amount required for personnel compensation		45,226
Benefits		<u>11,963</u>
Total adjustment-to-base	1	57,189

	FTE	Amount
<u>Within-grade step increases</u>		32
An increase of \$31,975 is required to cover the cost of within-grade step increases.		
Estimated number of within-grade step increases	35	
Step increases not earned due to turnover (17.8% x 35)	6	
Average step above step 1 per separation	3	
Average cost per within-grade step increase	1,664	
Gross cost of scheduled step increases (\$1,664 x 35)	58,240	
Less savings due to separations (\$1,664 x 6 x 3)	<u>(29,952)</u>	
Subtotal, personnel compensation	28,288	
Benefits	<u>3,687</u>	
Total adjustment-to-base	31,975	

Changes in compensable days

29

The increased cost of one more compensable day in 20BY compared to 20CY is calculated by dividing the 20CY estimated personnel compensation (\$6,708,000) and applicable benefits (\$791,000) by 261 compensable days. The cost increase of one compensable day is \$28,732.

Civil Service Retirement System (CSRS)

The number of employees covered by the Civil Service Retirement System (CSRS) continues to drop as positions become vacant and are filled by employees who are covered by the Federal Employees Retirement System (FERS). The estimated percentage of payroll for employees covered by CSRS will drop from 62.5% in 20CY to 61.7% in 20BY for regular and from 67.2% in 20CY to 59.1% in 20BY for foreign service employees and from 90.9% in 20CY to 82.8% in 20BY for law enforcement employees. Contribution rates will increase/decrease or remain the same.

Regular:

20BY \$6,708,000 x .617 x .0713

20CY \$6,708,000 x .625 x .0851

295,099

356,782

(61,683)

Foreign Service:

20BY \$ 1,000,000 x .591 x .075

20CY \$ 1,000,000 x .672 x .075

44,325

50,400

(6,075)

Law enforcement:

20BY \$ 2,000,000 x .828 x .075

20CY \$ 2,000,000 x .909 x .075

124,200

136,350

(12,150)

Total adjustment-to-base

(61,683)

FTE Amount
 (62)

FTE Amount
 6

Federal Employee Retirement System (FERS)

The number of employees covered by FERS continues to rise as employees covered by CSRS leave and are replaced by employees covered by FERS. The estimated percentage of payroll for employees covered by FERS will rise from 37.5% in 20CY to 38.3% in 20BY for regular and 32.8% in 20CY to 40.9% in 20BY for foreign service employees. The estimated percentage of payroll for law enforcement employees covered by FERS will increase from 9.1% in 20CY to 17.2% in 20BY. The contribution rate for regular employees will increase/decrease or remain the same. For foreign service employees, the contribution rate will increase from 21.86% to 25.19% in 20BY. The contribution rate for law enforcement employees will remain the same.

Regular:

20BY \$6,708,000 x .383 x .107	274,901
20CY \$6,708,000 x .375 x .107	269,159
	<hr/>
	5,742

Foreign Service:

20BY \$ 1,000,000 x .409 x .2519	103,027
20CY \$ 1,000,000 x .328 x .2186	71,701
	<hr/>
	31,326

Law enforcement:

20BY \$ 2,000,000 x .172 x .2730	93,912
20CY \$ 2,000,000 x .091 x .2730	49,686
	<hr/>
	44,226

Total adjustment-to-base	5,742
--------------------------	-------

	FTE	Amount
<u>Thrift Savings Plan</u>		
The cost of agency contributions to the Thrift Savings Plan will also rise as FERS participation increases. The contribution rate is expected to remain 2%.		
Regular:		
20BY \$6,708,000 x .383 x .02		51,383
20CY \$6,708,000 x .375 x .02		<u>50,310</u>
		1,073
Law enforcement:		
20BY \$ 2,000,000 x .172 x .02		6,880
20CY \$ 2,000,000 x .091 x .02		<u>3,640</u>
		3,240
<i>Foreign Service:</i>		
20BY \$ 1,000,000 x .409 x .02		8,180
20CY \$ 1,000,000 x .328 x .02		<u>6,560</u>
		1,620
 Total adjustment-to-base		 1,073

FTE Amount

6

Federal Insurance Contribution Act (FICA)

As the percentage of payroll covered by FERS rises, the cost of OASDI contributions will increase. In addition, the maximum salary subject to OASDI tax will rise from \$82,800 in 20CY to \$87,750 in 20BY. The OASDI tax rate will remain 6.2% in 20BY.

Regular:

20BY \$6,708,000 x .383 x .937 x .062
 20CY \$6,708,000 x .375 x .918 x .062

149,253
 143,172
 6,081

Other Salaries:

20BY \$45,000 x .383 x .937 x .062
 20CY \$45,000 x .375 x .918 x .062

1,001
 960
 41

Foreign Service:

20BY \$ 1,000,000 x .409 x .859 x .062
 20CY \$ 1,000,000 x .328 x .877 x .062

21,783
 17,835
 3,948

Law enforcement:

20BY \$ 2,000,000 x .172 x .860 x .062
 20CY \$ 2,000,000 x .091 x .890 x .062

18,342
 10,043
 8,299

Total adjustment-to-base

6,122

Health Insurance

39

Effective January 20PY, this bureau's contribution to Federal employees' health insurance premiums increased by 10.7%. Applied against the 20CY estimate of \$366,000, the additional amount required is \$39,162.

	FTE	Amount
<p><u>Mileage rate increase</u> Effective September 20PY, the General Services Administration raised the mileage rate from 32.5 cents to 34.5 cents per mile, a 6.2% rate increase. This percentage was applied to the 20CY estimate of \$31,000 to arrive at an increase of \$1,922.</p>	2	
<p><u>Per diem increase</u> Effective January 20PY, the General Services Administration raised per diem rates. This increase results in a 3.9% increase to this bureau. This percentage was applied to the 20CY estimate of \$117,000 to arrive at an increase of \$4,563.</p>	5	
<p><u>Rental Payments to GSA</u> GSA rates are projected to increase 2.9% in 20BY. This percentage was applied to the 20CY estimate of \$1,618,000 to arrive at an increase of \$46,922.</p>	47	
<p><u>Postage</u> Effective February 20PY, the Postal Service implemented a rate increase of 16%. This percentage was applied to the 20CY estimate of \$85,000 to arrive at an increase of \$13,600.</p>	14	
<p><u>GPO Printing</u> GPO has provided an estimated rate increase of 1.5%. This percentage was applied to the 20CY estimate of \$108,000 to arrive at an increase of \$1,620.</p>	2	

General Pricing Level Adjustment

This request applies OMB economic assumptions for FY 20BY to object classes where the prices the government pays are established through the market system. Factors are applied to transportation of things, (\$0), rental payments to others (\$0), communications, utilities and miscellaneous charges (excluding postage) (\$1,314); other contractual services (\$77,184); supplies and materials (\$1,476) and equipment (\$4,914).

FTE Amount
 85

Subtotal, Other Changes

1 509

Total, Adjustments to Base

0 (48)

* Italicized are shown for illustrative purposes and are not included in the handbook exhibit totals.

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: Program Management
Subactivity: Program Management

Line Item		20PY		20CY		20BY		20BY		Increase/	
		Estimate		President's Budget		Base		Estimate		(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Advocacy, Research & Information	Pos./BA	82	10,902	82	12,052	82	11,983	82	16,483	0	4,500
	FTE/Obl	74	11,170	74	12,552	74	12,733	74	17,233	0	4,500
Total	Pos./BA	82	10,902	82	12,052	82	11,983	82	16,483	0	4,500
	FTE/Obl	74	11,170	74	12,552	74	12,733	74	17,233	0	4,500

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: Business Development
Subactivity: Business Development

Line Item		20PY		20CY		20BY		20BY		Increase/	
		Estimate		President's		Base		Estimate		(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Advocacy, Research & Information	Pos./BA	51	16,352	51	16,829	51	16,850	83	34,553	32	17,703
	FTE/Obl	46	16,755	46	17,329	46	17,600	70	35,303	24	17,703
Total	Pos./BA	51	16,352	51	16,829	51	16,850	83	34,553	32	17,703
	FTE/Obl	46	16,755	46	17,329	46	17,600	70	35,303	24	17,703

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
PROGRAM AND PERFORMANCE: REIMBURSABLE OBLIGATIONS
(Dollar amounts in thousands)

Activity: Business Development
Subactivity: Business Development

Line Item		20PY	20CY	20BY	20BY	Increase/
		Estimate	President's Budget	Base	Estimate	(Decrease)
		FTE Amount	FTE Amount	FTE Amount	FTE Amount	FTE Amount
Business Development	Pos./BA FTE/Obl	475	475	475	475	
Total	Pos./BA FTE/Obl	475	475	475	475	

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: Business Development
Subactivity: Business Development

Goal Statement

The goal of Policy Formulation and Direction is.....

Base Program

Statement of Operating Objectives

Explanation and Justification

Proposed Legislation (if applicable)

- Description of new legislation
- Justification of new legislation
- Requirements for extension of existing legislation
- Legislative proposals for lapse or repeal of existing legislation

Measures of Performance

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
INCREASES FOR 20BY*
(Dollar amounts in thousands)

		20BY Base		20BY Estimate		Increase (Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Demonstration Projects	Pos./BA	0	0	0	10,300	0	10,300
	FTE/Obl.	0	0	0	10,300	0	10,300

Using Demonstration projects (0 FTE, +\$10,300) -- This request will.....
by providing....

	20BY	20BY+1	20BY+2	20BY+3	20BY+4
Performance Measures:					
Number of demonstration projects	20	25	30	35	40
Number of briefings	12	14	16	18	20
Cost and Benefits:					
Direct Obligations:					
Uncapitalized	10,300	10,350	10,400	10,450	10,500
Budget Authority	10,300	10,350	10,400	10,450	10,500
Outlays	5,150	5,175	5,200	5,225	5,250
FTE	0	0	0	0	0
Benefits, in dollars	15,300	15,350	15,400	15,450	15,500

* Heading should read "Increase(s)," "Decrease(s)," or "Change(s)," as appropriate.

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
INCREASES FOR 20BY*
(Dollar amounts in thousands)

		20BY Base		20BY Estimate		Increase (Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
New Regional & District Centers	Pos./BA	49	15,074	81	19,227	32	4,153
	FTE/Obl.	44	15,824	68	19,977	24	4,153

Expanding regional and district centers (24 FTE, +\$4,153) -- This request will.....
by providing....

	20BY	20BY+1	20BY+2	20BY+3	20BY+4
Performance Measures:					
Number of networking conferences	35	40	45	50	55
Number of minority business counseled	350	400	450	500	550
Cost and Benefits:					
Direct Obligations:					
Uncapitalized	4,153	4,653	5,153	5,653	6,153
Budget Authority	4,153	4,653	5,153	5,653	6,153
Outlays	2,077	2,327	2,577	2,827	3,077
FTE	24	26	28	30	32
Benefits, in dollars	4,203	4,703	5,203	5,703	6,203

* Heading should read "Increase(s)," "Decrease(s)," or "Change(s)," as appropriate.

**Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
INCREASES FOR 20BY***
(Dollar amounts in thousands)

		20BY Base		20BY Estimate		Increase (Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Minority Business Opportunity Committees	Pos./BA	2	1,776	2	3,526	0	1,750
	FTE/Obl.	2	1,776	2	3,526	0	1,750

Increasing the network of Minority Business Opportunity Committees (0 FTE, +\$1,750) -- This request will.....
by providing....

	20BY	20BY+1	20BY+2	20BY+3	20BY+4
Performance Measures:					
Dollar value of contracts	300,000	302,000	304,000	306,000	308,000
Number of educational & training seminars	28	30	32	34	36
Cost and Benefits:					
Direct Obligations:					
Uncapitalized	1,750	1,800	1,850	1,900	1,950
Budget Authority	1,750	1,800	1,850	1,900	1,950
Outlays	875	900	925	950	975
FTE	0	0	0	0	0
Benefits, in dollars	4,203	4,253	4,303	4,353	4,403

* Heading should read "Increase(s)," "Decrease(s)," or "Change(s)," as appropriate.

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
INCREASES FOR 20BY*
(Dollar amounts in thousands)

		20BY Base		20BY Estimate		Increase (Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Southern Growth Strategies	Pos./BA	0	0	0	1,500	0	1,500
	FTE/Obl.	0	0	0	1,500	0	1,500

To fund projects in the promotion of southern growth strategies (0 FTE, +\$1,500) -- This request will.....
by providing....

	20BY	20BY+1	20BY+2	20BY+3	20BY+4
Performance Measures:					
Dollar value of contracts	20,000	22,000	24,000	26,000	28,000
Number of businesses assisted	650	655	660	665	670
Cost and Benefits:					
Direct Obligations:					
Uncapitalized	1,500	1,600	1,700	1,800	1,900
Budget Authority	1,500	1,600	1,700	1,800	1,900
Outlays	750	800	850	900	950
FTE	0	0	0	0	0
Benefits, in dollars	3,000	3,100	3,200	3,300	3,400

* Heading should read "Increase(s)," "Decrease(s)," or "Change(s)," as appropriate.

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
INCREASES FOR 20BY*
(Dollar amounts in thousands)

		20BY Base		20BY Estimate		Increase (Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Research & Innovation	Pos./BA	41	5,242	41	8,242	0	3,000
	FTE/Obl.	37	5,617	37	8,617	0	3,000

To fund research and innovation strategies (0 FTE, +\$3,000) -- This request will.....
by providing....

	20BY	20BY+1	20BY+2	20BY+3	20BY+4
Performance Measures:					
Number of research studies	6	12	18	24	30
Number of dissertation fellowship	7	14	21	28	35
Cost and Benefits:					
Direct Obligations:					
Uncapitalized	3,000	6,000	9,000	12,000	15,000
Budget Authority	3,000	6,000	9,000	12,000	15,000
Outlays	1,500	3,000	4,500	6,000	7,500
FTE	0	0	0	0	0
Benefits, in dollars	3,500	6,500	9,500	12,500	15,500

* Heading should read "Increase(s)," "Decrease(s)," or "Change(s)," as appropriate.

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
INCREASES FOR 20BY*
(Dollar amounts in thousands)

		20BY Base		20BY Estimate		Increase (Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Education, Outreach & Leadership	Pos./BA	41	6,741	41	8,241	0	1,500
	FTE/Obl.	37	7,116	37	8,616	0	1,500

To fund public relations activities (0 FTE, +\$1,500) -- This request will.....
by providing....

	20BY	20BY+1	20BY+2	20BY+3	20BY+4
Performance Measures:					
Number of exhibits	33	66	99	132	165
Number of briefings	20	40	60	80	100
Cost and Benefits:					
Direct Obligations:					
Uncapitalized	1,500	2,000	2,500	3,000	3,500
Budget Authority	1,500	2,000	2,500	3,000	3,500
Outlays	750	1,000	1,250	1,500	1,750
FTE	0	0	0	0	0
Benefits, in dollars	3,000	4,000	5,000	6,000	7,000

* Heading should read "Increase(s)," "Decrease(s)," or "Change(s)," as appropriate.

**Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
PROGRAM CHANGE PERSONNEL DETAIL**

Activity: Business Development
Subactivity: Business Development
Program Change: New Regional & District Centers

<u>Title</u>	Grade	Number	Annual Salary	Total Salaries
Regional Director	15	2	87,864	175,728
Chief, Business Development Specialist	14	2	74,697	149,394
Business Development Specialist	12	16	53,156	850,496
Administrative Technician	7	2	29,966	59,932
Secretary	5	2	24,192	48,384
Office Automation Clerk	5	8	24,192	193,536
Total		<u>32</u>		<u>1,477,470</u>
Less lapse		25.00% <u>(8)</u>		<u>(369,368)</u>
Total full-time permanent (FTE)		24		1,108,102
20BY Pay Adjustment (3.9%)				43,216
Total				<u><u>1,151,318</u></u>

Personnel Data

Full-time Equivalent Employment				
Full-time permanent		24		
Other than full-time permanent		<u>0</u>		
Total		24		

Authorized Positions:

Full-time permanent		32		
Other than full-time permanent		<u>0</u>		
Total		32		

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
PROGRAM CHANGE DETAIL BY OBJECT CLASS
 (Direct Obligations amounts in thousands)

Activity: Business Development
 Subactivity: Business Development

Object Class	20BY Increase/ (Decrease)
11.1 Full-time permanent (Compensation)	
11.3 Other than full-time permanent	
11.5 Other personnel compensation	
11.8 Special personnel services payments	
11.9 Total personnel compensation	0
12.1 Civilian personnel benefits	
13 Benefits for former personnel	
21 Travel and transportation of persons	
22 Transportation of things	
23 Rent, communications, and utilities	
23.1 Rental payments to GSA	
23.2 Rental payments to others	
23.3 Commun., util., and misc. charges	
24 Printing and reproduction	
25 Consulting and other services	
25.1 Consulting services	
25.2 Other services	10,300
25.3 Purchase of goods and services from Gov't accounts	
25.4 Operation of GOCOs	
25.5 Research and development contracts	
25.6 Medical care	
25.7 Operation and maintenance of equipment	
25.8 Subsistence and support of persons	
26 Supplies and materials	
31 Equipment	
32 Lands and structures	
33 Investments and loans	
41 Grants, subsidies and contributions	
42 Insurance claims and indemnities	
43 Interest and dividends	
44 Refunds	
99.9 Total obligations	10,300

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
PROGRAM CHANGE DETAIL BY OBJECT CLASS
 (Direct Obligations amounts in thousands)

Activity: Business Development
 Subactivity: Business Development

Object Class	20BY Increase/ (Decrease)
11.1 Full-time permanent (Compensation)	1,151
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.8 Special personnel services payments	
11.9 Total personnel compensation	1,151
12.1 Civilian personnel benefits	196
13 Benefits for former personnel	0
21 Travel and transportation of persons	450
22 Transportation of things	0
23 Rent, communications, and utilities	466
23.1 Rental payments to GSA	0
23.2 Rental payments to others	0
23.3 Commun., util., and misc. charges	60
24 Printing and reproduction	15
25 Consulting and other services	0
25.1 Consulting services	1,552
25.2 Other services	20
25.3 Purchase of goods and services from Gov't accounts	0
25.4 Operation of GOCOs	
25.5 Research and development contracts	
25.6 Medical care	
25.7 Operation and maintenance of equipment	30
25.8 Subsistence and support of persons	
26 Supplies and materials	63
31 Equipment	150
32 Lands and structures	
33 Investments and loans	
41 Grants, subsidies and contributions	
42 Insurance claims and indemnities	
43 Interest and dividends	
44 Refunds	
99.9 Total obligations	4,153

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
PROGRAM CHANGE DETAIL BY OBJECT CLASS
 (Direct Obligations amounts in thousands)

Activity: Business Development
 Subactivity: Business Development

Object Class	20BY Increase/ (Decrease)
11.1 Full-time permanent (Compensation)	
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.8 Special personnel services payments	
11.9 Total personnel compensation	0
12.1 Civilian personnel benefits	
13 Benefits for former personnel	0
21 Travel and transportation of persons	
22 Transportation of things	0
23 Rent, communications, and utilities	
23.1 Rental payments to GSA	0
23.2 Rental payments to others	0
23.3 Commun., util., and misc. charges	
24 Printing and reproduction	
25 Consulting and other services	0
25.1 Consulting services	
25.2 Other services	
25.3 Purchase of goods and services from Gov't accounts	0
25.4 Operation of GOCOs	
25.5 Research and development contracts	
25.6 Medical care	
25.7 Operation and maintenance of equipment	
25.8 Subsistence and support of persons	
26 Supplies and materials	
31 Equipment	
32 Lands and structures	
33 Investments and loans	
41 Grants, subsidies and contributions	1,750
42 Insurance claims and indemnities	
43 Interest and dividends	
44 Refunds	
99.9 Total obligations	1,750

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
PROGRAM CHANGE DETAIL BY OBJECT CLASS
 (Direct Obligations amounts in thousands)

Activity: Business Development
 Subactivity: Business Development

Object Class	20BY Increase/ (Decrease)
11.1 Full-time permanent (Compensation)	
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.8 Special personnel services payments	
11.9 Total personnel compensation	0
12.1 Civilian personnel benefits	
13 Benefits for former personnel	0
21 Travel and transportation of persons	
22 Transportation of things	0
23 Rent, communications, and utilities	
23.1 Rental payments to GSA	0
23.2 Rental payments to others	0
23.3 Commun., util., and misc. charges	
24 Printing and reproduction	
25 Consulting and other services	0
25.1 Consulting services	
25.2 Other services	1,500
25.3 Purchase of goods and services from Gov't accounts	0
25.4 Operation of GOCOs	
25.5 Research and development contracts	
25.6 Medical care	
25.7 Operation and maintenance of equipment	
25.8 Subsistence and support of persons	
26 Supplies and materials	
31 Equipment	
32 Lands and structures	
33 Investments and loans	
41 Grants, subsidies and contributions	
42 Insurance claims and indemnities	
43 Interest and dividends	
44 Refunds	
99.9 Total obligations	1,500

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
PROGRAM CHANGE DETAIL BY OBJECT CLASS
 (Direct Obligations amounts in thousands)

Activity: Program Management
 Subactivity: Program Management

Object Class	20BY Increase/ (Decrease)
11.1 Full-time permanent (Compensation)	
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.8 Special personnel services payments	
11.9 Total personnel compensation	0
12.1 Civilian personnel benefits	
13 Benefits for former personnel	0
21 Travel and transportation of persons	
22 Transportation of things	0
23 Rent, communications, and utilities	
23.1 Rental payments to GSA	0
23.2 Rental payments to others	0
23.3 Commun., util., and misc. charges	10
24 Printing and reproduction	100
25 Consulting and other services	0
25.1 Consulting services	
25.2 Other services	1,390
25.3 Purchase of goods and services from Gov't accounts	1,500
25.4 Operation of GOCOs	
25.5 Research and development contracts	
25.6 Medical care	
25.7 Operation and maintenance of equipment	
25.8 Subsistence and support of persons	
26 Supplies and materials	
31 Equipment	
32 Lands and structures	
33 Investments and loans	
41 Grants, subsidies and contributions	
42 Insurance claims and indemnities	
43 Interest and dividends	
44 Refunds	
99.9 Total obligations	3,000

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
PROGRAM CHANGE DETAIL BY OBJECT CLASS
 (Direct Obligations amounts in thousands)

Activity: Program Management
 Subactivity: Program Management

Object Class	20BY Increase/ (Decrease)
11.1 Full-time permanent (Compensation)	
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.8 Special personnel services payments	
11.9 Total personnel compensation	0
12.1 Civilian personnel benefits	
13 Benefits for former personnel	0
21 Travel and transportation of persons	250
22 Transportation of things	20
23 Rent, communications, and utilities	
23.1 Rental payments to GSA	0
23.2 Rental payments to others	0
23.3 Commun., util., and misc. charges	30
24 Printing and reproduction	150
25 Consulting and other services	0
25.1 Consulting services	
25.2 Other services	1,050
25.3 Purchase of goods and services from Gov't accounts	
25.4 Operation of GOCOs	
25.5 Research and development contracts	
25.6 Medical care	
25.7 Operation and maintenance of equipment	
25.8 Subsistence and support of persons	
26 Supplies and materials	
31 Equipment	
32 Lands and structures	
33 Investments and loans	
41 Grants, subsidies and contributions	
42 Insurance claims and indemnities	
43 Interest and dividends	
44 Refunds	
99.9 Total obligations	1,500

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Object Class	20PY Estimate	20CY President's Budget	20BY Base	20BY Estimate	Increase/ (Decrease) over 20BY Base
11.1 Full-time permanent (Compensation)	6,335	6,708	7,032	8,183	1,151
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	45	45	47	47	0
11.8 Special personnel services payments					0
11.9 Total personnel compensation	6,380	6,753	7,079	8,230	1,151
12.1 Civilian personnel benefits	1,228	1,232	1,222	1,418	196
13 Benefits for former personnel					0
21 Travel and transportation of persons	306	306	308	1,008	700
22 Transportation of things	13	13	13	33	20
23 Rent, communications and utilities					
23.1 Rental payments to GSA	1,618	1,618	1,665	2,131	466
23.2 Rental payments to others	13	13	13	13	0
23.3 Commun., util., and misc. charges	219	219	221	321	100
24 Printing and reproduction	108	108	110	375	265
25 Consulting and other services					0
25.1 Consulting services	150	150	150	150	0
25.2 Other services	4,112	4,141	4,218	20,010	15,792
25.3 Purchase of goods and services from Gov't accounts	1,343	1,343	1,343	2,863	1,520
25.4 Operation of GOCOs					0
25.5 Research and development contracts					0
25.6 Medical care					0
25.7 Operation & maintenance of equipment	111	111	111	141	30
25.8 Subsistence and support of persons	51	51	51	51	0
26 Supplies and materials	82	82	83	146	63
31 Equipment	223	273	278	428	150
32 Lands and structures					0

Object Class	20PY	20CY	20BY	20BY	Increase/
	Estimate	President's Budget	Base	Estimate	(Decrease) over 20BY Base
33 Investments and loans					0
41 Grants, subsidies and contributions	11,968	13,468	13,468	15,218	1,750
42 Insurance claims and indemnities					0
43 Interest and dividends					0
44 Refunds					0
99.9 Total Obligations	27,925	29,881	30,333	52,536	22,203
Less prior year recoveries		(1,000)	(1,500)	(1,500)	
Less prior year unobligated balance	(671)	0	0	0	
Total Budget Authority	27,254	28,881	28,833	51,036	22,203
Personnel Data					
Full-Time equivalent Employment:					
Full-time permanent	119	119	119	143	24
Other than full-time permanent	1	1	1	1	0
Total	120	120	120	144	24
Authorized Positions:					
Full-time permanent	129	129	129	161	32
Other than full-time permanent	4	4	4	4	0
Total	133	133	133	165	32

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
DETAILED REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

Object Class	20BY Adjustment to Base	20BY Base	20BY Estimate	Increase/ (Decrease) over BY Base
11 Personnel compensation				
11.1 Full-time permanent				
Executive level				
Senior executive service	23	544	544	0
General schedule	301	6,488	7,639	1,151
Commissioned officers		0		0
Wage board/wage marine		0		0
Scientific & professional (P.L. 80-313)		0		0
Examiners of patent appeals (P.L. 82-593, 98-622)		0		0
Examiners of trademark appeals (P.L. 98-622)		0		0
Senior foreign service		0		0
Foreign service staff				0
Foreign service nationals		0		0
Consultants & experts		0		0
Students		0		0
[Law enforcement]	0	0	0	
Subtotal	324	7,032	8,183	1,151
11.3 Other than full-time permanent				
General schedule	0	0	0	0
Wage borad		0		0
Experts & consultants		0		0
Hourly				0
Subtotal	0	0	0	0

Object Class	20BY Adjustment to Base	20BY Base	20BY Estimate	Increase/ (Decrease) over BY Base
11.5 Other personnel compensation				
Overtime	2	27	27	0
SES performance awards		0	0	0
Cash awards		0	0	0
Merit pay awards		0	0	0
Other		20	20	0
Subtotal	2	47	47	0
11.8 Special personnel services payments				
Foreign service officers (State)				
Other				0
Subtotal	0	0	0	0
11.9 Total personnel compensation	326	7,079	8,230	1,151
12.1 Civilian personnel benefits				
Civil service retirement	(62)	261	261	0
Federal employees' retirement	6	251	256	5
Thrift savings plan	1	36	61	25
Federal Insurance Contribution Act	6	173	297	124
Health insurance	39	405	445	40
Life insurance	0	8	10	2
Employees' Compensation Fund	0	88	88	0
Other				0
Subtotal	(10)	1,222	1,418	196

Object Class		20BY Adjustment to Base	20BY Base	20BY Estimate	Increase/ (Decrease) over BY Base
13	Benefits for former personnel				0
	Severance pay				0
	Unemployment compensation				0
	Other				0
	Subtotal	0	0	0	0
21	Travel and transportation of persons				
	Common carrier		155	540	385
	Mileage	2	33	83	50
	Per diem/actual	0	110	375	265
	Vehicular		10	10	0
	Other		0	0	0
	[Overseas estimates]				0
	Subtotal	2	308	1,008	700
22	Transportation of things		13	33	20
	[Overseas estimates]				0
23	Rent, communications and utilities				
23.1	Rental payments to GSA	47	1,665	2,131	466
23.2	Rental payments to others		13	13	0

Object Class		20BY Adjustment to Base	20BY Base	20BY Estimate	Increase/ (Decrease) over BY Base
23.3	Commun., util., and misc. charges				0
	Rental of ADP equipment		0	0	0
	Rental of office copying equipment		0	0	0
	Other equipment rental	1	8	8	0
	Federal telecommunications system	1	80	125	45
	Other telecommunications services		66	76	10
	Postal Service by USPS	0	67	112	45
	Other		0	0	0
	[Overseas estimates]				0
	Subtotal	2	221	321	100
24	Printing and reproduction				
	Publications		34	249	215
	Public use forms	0	6	8	2
	Envelopes		2	5	3
	Other	2	68	113	45
	[Payments to GA, WCF]	[88]	[88]		0
	[Overseas estimates]				0
	Subtotal	2	110	375	265
25	Consulting and other services				

Object Class		20BY Adjustment to Base	20BY Base	20BY Estimate	Increase/ (Decrease) over BY Base
25.1	Consulting services				
	Management & professional support services		150	150	
	Studies, analyses, & evaluation				
	Engineering & technical services				
	[Overseas estimates]				0
	Subtotal	0	150	150	0
25.2	Other services				
	Training:				
	University		9	9	0
	Other	1	68	68	0
	Maintenance of equipment	0	0	0	0
	ADP services	2	65	65	0
	Telecommunications services	3	37	37	0
	Other non-government contracts	69	1,087	16,879	15,792
	Other	2	2,845	2,845	0
	CAMS (bureau specific)		70	70	
	CAMS (bureau shared)		37	37	
	[Overseas estimates]				0
	Subtotal	77	4,218	20,010	15,792
25.3	Purchases of goods and services from Gov't accounts	0			
	Office of Personnel Management Training		4	5	1
	GSA reimbursable services		5	5	0
	Payments to GA, WCF		1,334	2,853	1,519
	Subtotal		1,343	2,863	1,520

Object Class		20BY Adjustment to Base	20BY Base	20BY Estimate	Increase/ (Decrease) over BY Base
25.4	Operation of GOCOs				0
					0
25.5	Research and development contracts				0
					0
25.6	Medical care				0
					0
25.7	Operation and maintenance of equipment		111	141	30
					0
25.8	Subsistence and support of persons		51	51	0
					0
26	Supplies and materials				
	Office supplies	0	61	86	25
	ADP supplies	1	22	60	38
	Other		0	0	0
	[Overseas estimates]				0
	Subtotal	1	83	146	63

Object Class		20BY Adjustment to Base	20BY Base	20BY Estimate	Increase/ (Decrease) over BY Base
31	Equipment	3	12	37	25
	Office machines and equipment	0	243	343	100
	ADP hardware	2	23	48	25
	ADP software		0	0	0
	Other		0	0	0
	[Overseas estimates]				0
	Subtotal	5	278	428	150
32	Lands and structures				0
33	Investments and loans				0
41	Grants, subsidies and contributions		13,468	15,218	1,750
42	Insurance claims and indemnities				0
43	Interest and dividends				0
44	Refunds				0
99	Total Obligations	452	30,333	52,536	22,203
	Less prior year recoveries		(1,500)	(1,500)	
	Total Budget Authority	452	28,833	51,036	22,203

Department of Commerce
Operating Unit of Commerce
ACTIVITY/SUBACTIVITY CHANGE CROSSWALK
Part 1 - 20CY Structure
(Dollar amounts in thousands)

<u>Activity/Subactivity</u>	<u>20BY Direct Obligations</u>	<u>Proposed Changes</u>
<u>Program Management</u>		
Advocacy, Research & Information	389	Merge into Business Development

Department of Commerce
Operating Unit of Commerce
ACTIVITY/SUBACTIVITY CHANGE CROSSWALK
Part 2 - 20BY Structure
 (Dollar amounts in thousands)

Activity/Subactivity	20PY-2	20PY-1	20PY	20CY	20BY
Program Management					
Advocacy, Research & Information	1,100	1,150	1,213	1,323	1,389
Subtotal, Program Management	1,100	1,150	1,213	1,323	1,389
Business Development	15,724	17,500	19,757	22,831	24,719
Total Direct Obligations	16,824	18,650	20,970	24,154	26,108

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
SUMMARY OF OUTYEAR CHANGES REQUESTED
 (Dollar amounts in thousands)

Activity/Subactivity	20BY Amount	20BY+1 Amount	20BY+2 Amount	20BY+3 Amount	20BY+4 Amount
20BY Base Program	28,833	28,833	29,410	29,998	30,598
GDP		2%	2%	2%	2%
Adjusted Base	28,833	29,410	29,998	30,598	31,210
Program Change (List by Program Change)					
Business Development	17,703	20,336	21,102	21,708	21,708
Program Management	4,500	8,095	8,095	8,282	9,100
Outyear Estimates	51,036	57,841	59,195	60,588	62,018

**Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
OUTYEAR ANALYSIS TABLE**
(Dollar amounts in thousands)

	Resources Available for Outlays	20PY	20CY	20BY	20BY + 1	20BY + 2	20BY + 3	20BY + 4	Total
20PY Obligated Balance, SOY	10,164	9,046	1,118						10,164
Unobligated Balance, SOY	671	336	295	40					671
Net Obligations	27,254	13,627	11,992	1,635					27,254
20CY Net Obligations	28,881	*****	14,441	12,708	1,732				28,880
20BY Net Obligations	51,036	*****	*****	25,518	22,456	3,062			51,036
20BY+1 Net Obligations	57,841	*****	*****	*****	28,921	25,450	3,470		57,841
20BY+2 Net Obligations	59,195	*****	*****	*****	*****	29,598	26,046	3,551	59,195
20BY+3 Net Obligations	60,588	*****	*****	*****	*****	*****	30,294	26,659	56,953
20BY+4 Net Obligations	62,018	*****	*****	*****	*****	*****	*****	31,009	31,009
		-----	-----	-----	-----	-----	-----	-----	-----
		23,009	27,846	39,901	53,109	58,110	59,810	61,218	323,003
Spendout Rates:									
20CY Obligated Balance, SOY		89.0%	11.0%						
Unobligated Balance, SOY		50.0%	44.0%	6.0%					
Net Obligations		50.0%	44.0%	6.0%					
20CY % spendout			50.0%	44.0%	6.0%				
20BY % spendout				50.0%	44.0%	6.0%			
20BY+1 % spendout					50.0%	44.0%	6.0%		
20BY+2 % spendout						50.0%	44.0%	6.0%	
20BY+3 % spendout							50.0%	44.0%	
20BY+4 % spendout								50.0%	

Department of Commerce
Operating Unit of Commerce
LEGISLATIVE PROPOSALS
(Dollar amounts in thousands)

Page No.	Appropriation and Activity	Existing Authority	Expiration Date	Amount Requested in 20BY
-------------	----------------------------	-----------------------	--------------------	--------------------------------

Extension of existing legislation:

New programs:

Authorization proposed for lapse/repeal:

APPENDIX A

VOLUME III CHAPTER 4

BACKUP EXHIBITS

Assumptions shown in the exhibits are for illustrative purposes only.

Department of Commerce
 Operating Unit of Commerce
 Salaries and Expenses
 SCHEDULE OF PERMANENT POSITIONS

	20PY	20CY	20BY
	Actual	Currently Available	Estimate
Executive level I	1	1	1
Executive level II	0	1	1
Executive level III	0	0	0
Executive level IV	4	4	4
Executive level V	0	0	0
Subtotal	5	6	6
ES-6	4	4	4
ES-5	6	6	6
ES-4	7	7	7
ES-3	3	3	3
ES-2	3	3	3
ES-1	2	2	2
Subtotal	25	25	25
GS-16	0	0	0
GS/GM-15	41	41	41
GS/GM-14	55	54	54
GS/GM-13	50	50	51
GS-12	33	33	35
GS-11	25	25	27
GS-10	3	3	3
GS-9	34	34	36
GS-8	15	15	15
GS-7	33	33	34
GS-6	9	9	9
GS-5	11	11	11
GS-4	11	11	11

	20PY	20CY	20BY
	Actual	Currently Available	Estimate
GS-3	5	5	5
GS-2	0	0	0
GS-1	0	0	0
Subtotal	325	324	332
Ungraded	0	0	0
Total Permanent Positions	355	355	363
Unfilled positions, end of year	0	0	0
Total permanent employment, end of year	355	355	363
Average ES salary	101,742	106,674	111,688
Average GS grade	11	11	11
Average GS salary	42,687	45,308	46,294

THE OMB PROCESS

VOLUME III (CHAPTER 4) - APPENDIX B

WORKSHEETS

Assumptions shown in the worksheets are for illustrative purposes only.

APPENDIX B - WORKSHEETS AND TABLES FOR SUBMISSION TO THE OFFICE OF MANAGEMENT AND BUDGET

Assumptions shown in exhibits are for illustrative purposes only.

TABLE OF CONTENTS

<u>Exhibit Number</u>	<u>Page Number</u>
Worksheet A-1	B - III (4) - 1
Worksheet A-2	B - III (4) - 2
Worksheet A-3	B - III (4) - 3
Worksheet A-4	B - III (4) - 4
Worksheet A-5	B - III (4) - 5
Worksheet A-6	B - III (4) - 6
Worksheet B	B - III (4) - 7
Worksheet C-1	B - III (4) - 8
Worksheet D	B - III (4) - 9
Worksheet E	B - III (4) - 10
Worksheet F	B - III (4) - 11
Table A	B - III (4) - 12

DEPARTMENT OF COMMERCE
OPERATING UNIT OF COMMERCE
ACCOUNT:
FY 20BY ----- 3.9%
EMPLOYMENT COST INDEX (ECI) PAY RAISE
(dollars in thousands)

SUBJECT TO PAY RAISE:	ASSUMPTIONS				PAY RAISE/BENEFITS			
	REGULAR	FOREIGN SERVICE	LAW ENFORCEMENT	TOTAL	REGULAR	FOREIGN SERVICE	LAW ENFORCEMENT	TOTAL
11.1 Salaries subject to retirement.	6,708	-	-	6,708	262	-	-	262
11.3 Salaries subject to retirement.	-	-	-	-	-	-	-	-
Subtotal.....	6,708	-	-	6,708	262	-	-	262
11.3 Not subject to retirement.....	-	-	-	-	-	-	-	-
Total Salaries.....	6,708	-	-	6,708	262	-	-	262
BENEFITS:								

CSRS Participation Rate.....	61.7%	0.0%	0.0%					
CSRS Contribution Rate.....	7.1%	7.5%	0.0%		12	-	-	12
FERS Participation Rate.....	38.3%	0.0%	0.0%					
FERS Contribution Rate.....	10.7%	24.3%	0.0%		11	-	-	11
TSP Contribution Rate.....	2.0%	2.0%	0.0%		2	-	-	2
FICA Cap Rate (OASDI).....	93.7%	93.7%	93.7%					
OASDI Contribution Rate.....	6.2%	6.2%	6.2%		6	-	-	6
Medicare Contribution Rate.....	1.5%	1.5%	1.5%		4	-	-	4
Life Insurance Percentage.....	0.1%	0.1%	0.0%		-	-	-	-
Total Benefits.....					35	-	-	35
Subtotal, Pay Raise.....					296	-	-	296
Payment to WCF (BRCD will provide #)					1	-	-	1
Total Pay Raise (Full year).....					297	-	-	297
X .75 (Nine Months).....	75.0%	75.0%	75.0%		223	-	-	223
Pay Raise Rate.....	3.9%	3.9%	3.9%					

* Note: Columns may not add due to rounding.

DEPARTMENT OF COMMERCE
OPERATING UNIT OF COMMERCE
ACCOUNT:
FY 20BY+1 ----- 3.9%
EMPLOYMENT COST INDEX (ECI) PAY RAISE
(dollars in thousands)

SUBJECT TO PAY RAISE:	ASSUMPTIONS				PAY RAISE/BENEFITS			
	REGULAR	FOREIGN SERVICE	LAW ENFORCEMENT	TOTAL	REGULAR	FOREIGN SERVICE	LAW ENFORCEMENT	TOTAL
11.1 Salaries subject to retirement.	6,970	-	-	6,970	272	-	-	272
11.3 Salaries subject to retirement.	-	-	-	-	-	-	-	-
Subtotal.....	6,970	-	-	6,970	272	-	-	272
11.3 Not subject to retirement.....	-	-	-	-	-	-	-	-
Total Salaries.....	6,970	-	-	6,970	272	-	-	272
BENEFITS:								
CSRS Contribution Rate.....	61.7%	0.0%	0.0%					
CSRS Contribution Rate.....	7.1%	7.5%	0.0%		12	-	-	12
FERS Participation Rate.....	38.3%	0.0%	0.0%					
FERS Contribution Rate.....	10.7%	24.3%	0.0%		11	-	-	11
TSP Contribution Rate.....	2.0%	2.0%	0.0%		2	-	-	2
FICA Cap Rate (OASDI).....	93.7%	93.7%	93.7%					
OASDI Contribution Rate.....	6.2%	6.2%	6.2%		6	-	-	6
Medicare Contribution Rate.....	1.5%	1.5%	1.5%		4	-	-	4
Life Insurance Percentage.....	0.1%	0.1%	0.0%		-	-	-	-
Total Benefits.....					35	-	-	35
Subtotal, Pay Raise.....					307	-	-	307
Payment to WCF (BRCD will provide #)					1	-	-	1
Total Pay Raise (Full year).....					307	-	-	307
X .75 (Nine Months).....	75.0%	75.0%	75.0%		230	-	-	230
Pay Raise Rate.....	3.9%	3.9%	3.9%					

* Note: Columns may not add due to rounding.

DEPARTMENT OF COMMERCE
OPERATING UNIT OF COMMERCE
ACCOUNT:
FY 20BY+2 ----- 3.9%
EMPLOYMENT COST INDEX (ECI) PAY RAISE
(dollars in thousands)

SUBJECT TO PAY RAISE:	ASSUMPTIONS				PAY RAISE/BENEFITS			
	REGULAR	FOREIGN SERVICE	LAW ENFORCEMENT	TOTAL	REGULAR	FOREIGN SERVICE	LAW ENFORCEMENT	TOTAL
11.1 Salaries subject to retirement.	7,242	-	-	7,242	282	-	-	282
11.3 Salaries subject to retirement.	-	-	-	-	-	-	-	-
Subtotal.....	7,242	-	-	7,242	282	-	-	282
11.3 Not subject to retirement.....	-	-	-	-	-	-	-	-
Total Salaries.....	7,242	-	-	7,242	282	-	-	282
BENEFITS:								

CSRS Participation Rate.....	61.7%	0.0%	0.0%					
CSRS Contribution Rate.....	7.1%	7.5%	0.0%		12	-	-	12
FERS Participation Rate.....	38.3%	0.0%	0.0%					
FERS Contribution Rate.....	10.7%	24.3%	0.0%		12	-	-	12
TSP Contribution Rate.....	2.0%	2.0%	0.0%		2	-	-	2
FICA Cap Rate (OASDI).....	93.7%	93.7%	93.7%					
OASDI Contribution Rate.....	6.2%	6.2%	6.2%		6	-	-	6
Medicare Contribution Rate.....	1.5%	1.5%	1.5%		4	-	-	4
Life Insurance Percentage.....	0.1%	0.1%	0.0%		-	-	-	-
Total Benefits.....					36	-	-	36
Subtotal, Pay Raise.....					318	-	-	318
Payment to WCF (BRCD will provide #)					1	-	-	1
Total Pay Raise (Full year).....					319	-	-	319
X .75 (Nine Months).....	75.0%	75.0%	75.0%		239	-	-	239
Pay Raise Rate.....	3.9%	3.9%	3.9%					

* Note: Columns may not add due to rounding.

DEPARTMENT OF COMMERCE
OPERATING UNIT OF COMMERCE
ACCOUNT:
FY 20BY+3 ----- 3.9%
EMPLOYMENT COST INDEX (ECI) PAY RAISE
(dollars in thousands)

SUBJECT TO PAY RAISE:	ASSUMPTIONS				PAY RAISE/BENEFITS			
	REGULAR	FOREIGN SERVICE	LAW ENFORCEMENT	TOTAL	REGULAR	FOREIGN SERVICE	LAW ENFORCEMENT	TOTAL
11.1 Salaries subject to retirement.	7,524	-	-	7,524	293	-	-	293
11.3 Salaries subject to retirement.	-	-	-	-	-	-	-	-
Subtotal.....	7,524	-	-	7,524	293	-	-	293
11.3 Not subject to retirement.....	-	-	-	-	-	-	-	-
Total Salaries.....	7524	0	0	7524	293	0	0	293
BENEFITS:								

CSRS Participation Rate.....	61.7%	0.0%	0.0%					
CSRS Contribution Rate.....	7.1%	7.5%	0.0%		13	-	-	13
FERS Participation Rate.....	38.3%	0.0%	0.0%					
FERS Contribution Rate.....	10.7%	24.3%	0.0%		12	-	-	12
TSP Contribution Rate.....	2.0%	2.0%	0.0%		2	-	-	2
FICA Cap Rate (OASDI).....	93.7%	93.7%	93.7%					
OASDI Contribution Rate.....	6.2%	6.2%	6.2%		7	-	-	7
Medicare Contribution Rate.....	1.5%	1.5%	1.5%		4	-	-	4
Life Insurance Percentage.....	0.1%	0.1%	0.0%		-	-	-	-
Total Benefits.....					38	-	-	38
Subtotal, Pay Raise.....					331	-	-	331
Payment to WCF (BRCD will provide #)					1	-	-	1
Total Pay Raise (Full year).....					331	-	-	331
X .75 (Nine Months).....	75.0%	75.0%	75.0%		248	-	-	248
Pay Raise Rate.....	0.039	0.039	0.039					

* Note: Columns may not add due to rounding.

DEPARTMENT OF COMMERCE
OPERATING UNIT OF COMMERCE
ACCOUNT:
FY 20BY+4 ----- 3.9%
EMPLOYMENT COST INDEX (ECI) PAY RAISE
(dollars in thousands)

SUBJECT TO PAY RAISE:	ASSUMPTIONS				PAY RAISE/BENEFITS			
	REGULAR	FOREIGN SERVICE	LAW ENFORCEMENT	TOTAL	REGULAR	FOREIGN SERVICE	LAW ENFORCEMENT	TOTAL
11.1 Salaries subject to retirement.	7,817	-	-	7,817	305	-	-	305
11.3 Salaries subject to retirement.	-	-	-	-	-	-	-	-
Subtotal.....	7,817	-	-	7,817	305	-	-	305
11.3 Not subject to retirement.....	-	-	-	-	-	-	-	-
Total Salaries.....	7817	0	0	7817	305	0	0	305
BENEFITS:								

CSRS Participation Rate.....	61.7%	0.0%	0.0%					
CSRS Contribution Rate.....	7.1%	7.5%	0.0%		13	-	-	13
FERS Participation Rate.....	38.3%	0.0%	0.0%					
FERS Contribution Rate.....	10.7%	24.3%	0.0%		12	-	-	12
TSP Contribution Rate.....	2.0%	2.0%	0.0%		2	-	-	2
FICA Cap Rate (OASDI).....	93.7%	93.7%	93.7%					
OASDI Contribution Rate.....	6.2%	6.2%	6.2%		7	-	-	7
Medicare Contribution Rate.....	1.5%	1.5%	1.5%		4	-	-	4
Life Insurance Percentage.....	0.1%	0.1%	0.0%		-	-	-	-
Total Benefits.....					38	-	-	38
Subtotal, Pay Raise.....					343	-	-	343
Payment to WCF (BRCD will provide #)					1	-	-	1
Total Pay Raise (Full year).....					343	-	-	343
X .75 (Nine Months).....	0.75	0.75	0.75		257	-	-	257
Pay Raise Rate.....	0.039	0.039	0.039					

* Note: Columns may not add due to rounding.

DEPARTMENT OF COMMERCE
OPERATING UNIT OF COMMERCE
ACCOUNT:
Calculation of Pay Raise for FY 2003 and Outyears

Pay Related	20BY	20BY+1	20BY+2	20BY+3	20BY+4
20BY Pay Raise	223	296	296	296	296
20BY+1 Pay Raise		230	307	307	307
20BY+2 Pay Raise			239	318	318
20BY+3 Pay Raise				248	331
20BY+4 Pay Raise					257
Total	223	526	842	1169	1509
Working Capital Fund	20BY	20BY+1	20BY+2	20BY+3	20BY+4
20BY Pay Raise		1	1	1	1
20BY+1 Pay Raise			1	1	1
20BY+2 Pay Raise				1	1
20BY+3 Pay Raise					1
20BY+4 Pay Raise					1
Total		1	2	3	4
Total Pay Raise	20BY	20BY+1	20BY+2	20BY+3	20BY+4
20BY Pay Raise	224	297	297	297	297
20BY+1 Pay Raise		231	308	308	308
20BY+2 Pay Raise			240	319	319
20BY+3 Pay Raise				249	332
20BY+4 Pay Raise					258
Total	224	528	845	1173	1514

* Note: Columns may not add due to rounding.

DEPARTMENT OF COMMERCE
OPERATING UNIT OF COMMERCE
Full-cost in 20BY of positions financed for part year in 20CY

Improvements to advance retail sales estimates, pg.26

	<u>Rates</u>	<u>FTE</u>	<u>Amount</u>
Annual salary of new positions in 20CY budget..		4	218,428
Less lapse.....	5.00%	<u>0</u>	<u>-10,921</u>
Full-year cost of personnel compensation.....		4	207,507
Less personnel compensation included in the 20CY budget.....		<u>-3</u>	<u>-163,821</u>
Subtotal, personnel compensation.....		1	43,686
Adjustment for 20BY pay raise for 3/4 of year..	4.70%	<u>0</u>	<u>1,540</u>
Amount required for personnel compensation.....		1	45,226
20BY personnel benefits:			
FERS.....	10.70%		4,839
Thrift Savings Plan.....	2.00%		905
OSADI.....	6.20%		2,804
Medicare.....	1.45%		656
Health Insurance.....	6.00%		2,714
Life Insurance.....	0.10%		<u>45</u>
Amount required for benefits.....			11,963
Total amount required.....		<u>1</u>	<u>57,189</u>

DEPARTMENT OF COMMERCE
Operating Unit of Commerce
Calculation of Turnover Rate
for FY 20BY

	Line 1: Total Employment	Line 25: Separations
<u>April 1999 - March 2000</u>		
April	100	-
May	101	1
June	102	-
July	103	2
August	102	1
September	101	2
October	104	1
November	104	-
December	103	1
January	106	1
February	105	-
March	105	1
	1,236	10
<u>April 2000- March 2001</u>		
April	104	1
May	105	1
June	103	2
July	102	2
August	102	3
September	98	4
October	100	-
November	99	-
December	97	3
January	93	6
February	94	3
March	92	1
Total	1,189	26
Total 2 years	2,425	36
No. of months	24	24
Average per month	101	2
Annualize separations*		12
		18
Percentage of separations of total employment or turnover rate	17.8%	

* 36/24x12 =18

DEPARTMENT OF COMMERCE
Operating Unit of Commerce
Computation of One Additional Compensable Day in FY 20BY

Object Class Activity	20CY Congressional Budget	
11.1 Full-time permanent	6,708,000	
11.3 Other than full-time permanent	0	
11.5 Overtime*	0	
	<hr/>	
Total, personnel compensation	6,708,000	
Divided by number of days in FY 20CY	261	
	<hr/>	
ATB for personnel compensation		25,701
12.1 CSRS	336,000	
FERS	245,000	
TSP	35,000	
FICA	167,000	
Life insurance	8,000	
Medicare	0	
COLA	0	
	<hr/>	
Total benefits	791,000	
Divided by number of days in FY 20CY	261	
	<hr/>	
		<hr/> 3,031
ATB		28,732

This represents the cost increase of one compensable day. If in a future year, there should be a difference of two compensable day, the above result would be multiplied by two.

DEPARTMENT OF COMMERCE
Operating Unit of Commerce
Calculation of 20BY Health Costs ATB

	Payroll Data Prior to Rate Increase	Payroll Data After Rate Increase	Difference
Annualized health cost	\$259,209	\$301,144	\$41,935
Number of participants	81	85	4
Average cost per participant	\$3,200	\$3,543	\$343
Percentage increase/decrease			10.7%
<hr/>			
20CY Congressional estimate			
Health benefits	\$366,000		
Average rate increase	10.7%		
Health benefits ATB	\$39,162		

Calculation for determining health benefit rate for 20BY

(Use in other budget calculations requiring health estimates, such as annualization or program increases/decreases.)

20CY Congressional request		
11.1 Personnel compensation		\$6,708,000
Health benefit estimate	\$366,000	
20BY Health benefit ATB	<u>39,162</u>	
Total 20BY Health benefits		<u>\$405,162</u>
Health benefit rate for 20BY		6.0%

DEPARTMENT OF COMMERCE
Operating Unit of Commerce
Calculation of 20BY Per Diem ATB

Destination	Travel Days per Year	Before Rate Increase		After Rate Increase		Cost Difference
		Per Diem	Cost	Per Diem	Cost	
California						
Los Angeles	63	114	\$7,182	120	\$7,560	\$378
Colorado						
Denver	57	94	\$5,358	95	\$5,415	\$57
Georgia						
Atlanta	141	106	\$14,946	108	\$15,228	\$282
Illinois						
Chicago	129	117	\$15,093	123	\$15,867	\$774
Massachusetts						
Boston	65	115	\$7,475	121	\$7,865	\$390
New York						
Manhattan	154	141	\$21,714	147	\$22,638	\$924
Total			\$71,768		\$74,573	2,805
						3.9%
20CY Congressional estimate						
Per diem			\$117,000			
Rate increase			3.9%			
Per diem ATB			\$4,563			

Inventory of Departmental Components with Authorities for Other Materials Contained in the Initial OMB Submission ("Other Materials" from OMB Circular A-11, Section 25.5)

<u>Subject</u>	<u>Exhibit</u>	<u>Section</u>	<u>Due Date</u>	<u>Area of Responsibility</u>	<u>Contact Information</u>	<u>Position/Title</u>
Information on Motor Vehicles	33	33.9	w/initial submission	Procurement and Administrative Services, Office of Administrative Operations	202-482-6070	Director for Administrative Services
Information on financial management resources	52A & B	52	w/initial submission and after passback, if affected by decisions	Office of Financial Management	202-482-0753	Director for Financial Management
Report on Information Technology	53	53	w/initial submission and after passback, if affected by decisions by 9/9/03	Office of the Chief Information Officer Office of Information Planning and Review	202-482-4797	Director, Office of Policy Planning and Review
Rental payments for space and land	54	54	w/initial submission (must support by request to GSA and OMB)	Procurement and Administrative Services, Office of Administrative Operations	202-482-3721	Director for Administrative Services
Energy and transportation efficiency management	55	55	w/initial submission (part of 33.9)	Procurement and Administrative Services, Office of Administrative Operations	202-482-2345/202-482-6070	Director for Administrative Services
Information on drug control programs		56	w/initial submission	Office of Human Resources Management, Office of Workforce Programs Division	202-482-0022	Director, Office of Human Resources Management
Information on erroneous payments	57	57	w/initial submission (include contact name and number)	Office of Financial Management	202-482-0753	Director for Financial Management
Information on overseas staffing		58	w/initial submission	Office of Budget	202-482-4648	Director, Office of Budget
Information on consulting services		83.7		Federal Assistance and Mgmt. Support, Executive Budgeting & Assistance	202-482-4115	Director, Executive Budgeting & Assistance Mgmt.
Information on research and development	84 A & B	84	After passback in MAX	Office of Budget, Budget Coordination and Reports Division	202-482-4891	Chief, Budget Coordination and Reports Division
Initial Annual performance plan		Part 6	w/initial submission	Office of Budget, Systems and Policies Division	202-482-4648	Chief, Systems and Policies Division
Performance and Accountability Report			November 15, 2004	Office of Budget, Systems and Policies Division	202-482-4648	Chief, Systems and Policies Division
Strategic Plan			September, 2003	Office of Budget, Systems and Policies Division	202-482-4648	Chief, Systems and Policies Division
Capital asset plan		Part 7 - 300	w/initial submission and after passback, if affected by decisions	Office of the Chief Information Officer Office of Information Planning and Review	202-482-0753	Director, Office of Policy Planning and Review
Information on asset management		800	w/initial submission	Office of Financial Management	202-482-1207	Deputy Director for Financial Management
Data on credit management activities and guaranteed loans	185A-W	185		Office of Financial Management	202-482-0753	Deputy Director for Financial Management

VOLUME III – BUDGET FORMULATION

CHAPTER 5 – THE PRESIDENT’S AND CONGRESSIONAL BUDGET

TABLE OF CONTENTS

	Page Number
Section 30 Submission Schedules and Responsibilities	<u>III (5) - 1</u>
Section 31 Introduction to the President’s Budget	<u>III (5) - 2</u>
Section 32 General Instructions for the President’s Budget	<u>III (5) - 3</u>
General Instructions	<u>III (5) - 3</u>
General Style Guidelines	<u>III (5) - 4</u>
Section 33 Specific Instructions for the President’s Budget	<u>III (5) - 8</u>
Section 34 Introduction to the Congressional Budget Submission	<u>III (5) - 9</u>
Submission Instructions and Deadline	<u>III (5) - 9</u>
Justifications, Exhibits, and Backup Exhibit	<u>III (5) - 9</u>
Other Materials	<u>III (5) - 10</u>
The Commerce Budget-in-Brief	<u>III (5) - 10</u>
Quantities to Submit	<u>III (5) - 11</u>
Section 35 Instruction for the Congressional Submission’s Justifications and Exhibits	<u>III (5) - 12</u>
General Instructions	<u>III (5) - 12</u>
Reporting Personnel Data Instructions	<u>III (5) - 12</u>
Section 36 Summary Materials	<u>III (5) - 14</u>
Table of Contents (Exhibit 1)	<u>III (5) - 14</u>
Organization Chart (Exhibit 2)	<u>III (5) - 14</u>
Executive Summary (Exhibit 3)	<u>III (5) - 14</u>
Summary of Goals, Objectives and Performance Measures (Exhibit 3A)	<u>III (5) - 14</u>
Section 37 Appropriation Account Materials	<u>III (5) - 17</u>
Summary of Resource Requirements (Exhibit 5)	<u>III (5) - 17</u>
Summary of Financing (Exhibit 7)	<u>III (5) - 18</u>

	Page Number
Adjustments-to-Base (Exhibit 8)	<u>III (5) - 18</u>
Justification of Adjustments-to-Base (Exhibit 9)	<u>III (5) - 19</u>
Program and Performance: Direct Obligations (Exhibit 10)	<u>III (5) - 28</u>
Program and Performance: Reimbursable Obligations (Exhibit 11)	<u>III (5) - 28</u>
Justification of Program and Performance (by Subactivity) (Exhibit 12)	<u>III (5) - 28</u>
Contribution to Strategic Planning Goals and Objectives (Exhibit 12A)	<u>III (5) - 29</u>
Program Change for 20BY (Exhibit 13)	<u>III (5) - 29</u>
Program Change Personnel Detail (Exhibit 14)	<u>III (5) - 31</u>
Program Change Detail by Object Class (Exhibit 15)	<u>III (5) - 31</u>
Summary of Requirements by Object Class (Exhibit 16)	<u>III (5) - 31</u>
Detailed Requirements by Object Class (Exhibit 17)	<u>III (5) - 31</u>
Activity/Subactivity Change Crosswalk (Part I - CY Structure) (Exhibit 18)	<u>III (5) - 32</u>
Activity/Subactivity Change Crosswalk (Part II - BY Structure) (Exhibit 19)	<u>III (5) - 32</u>
Appropriations Requiring Authorizing Legislation (Exhibit 29)	<u>III (5) - 32</u>
Justification of Proposed Language Changes (Exhibit 32)	<u>III (5) - 32</u>
Appropriation Language and Code Citations (Exhibit 33)	<u>III (5) - 32</u>
Consulting and Related Services (Exhibit 34)	<u>III (5) - 33</u>
Periodicals, Pamphlets, and Audiovisual Services (Exhibit 35)	<u>III (5) - 33</u>
Average Grade and Salaries (Exhibit 36)	<u>III (5) - 33</u>
Section 38 Backup Materials	<u>III (5) - 34</u>
Summary of Reimbursable Obligations (Exhibit 6)	<u>III (5) - 34</u>
Outlay Analysis Table (Exhibit 22)	<u>III (5) - 34</u>
Summary of Information Technology (Exhibit 23)	<u>III (5) - 34</u>
Section 39 Presentation, Paper Size, Printing	<u>III (5) - 36</u>
EXHIBITS	APPENDIX A
WORKSHEETS	APPENDIX B

SECTION 30 – SUBMISSION SCHEDULES AND RESPONSIBILITIES

1. This chapter contains instructions for operating units to use in supporting the preparation of the President's Budget to the Congress. It also contains instructions for preparing the Department's congressional budget justifications.
2. Submission Schedules and Responsibilities
 - a) The President's Budget and the congressional budget justifications are due to the Congress by the first Monday in February. The Administration forwards all materials associated with the President's Budget by this submission deadline.
 - b) Operating units should take care to abide by the laws and regulations governing their communications with the Congress regarding appropriations and other budgetary matters. This means in particular that all information an operating unit provides to the Congress about a budget request must be submitted through the Department's Office of Budget and be consistent with Administration policy. [DAO 203-1, “Appropriation Requests and Related Budget Matters,”](#) (effective date April 20, 2007) and [OMB Circular A-11, Section 22,](#) contain additional instructions for communicating with the Congress about budget matters. Department Administrative Orders (DAO) can be found online at <http://dms.osec.doc.gov/cgi-bin/doiit.cgi?218:112:1:2>.

SECTION 31 – INTRODUCTION TO THE PRESIDENT’S BUDGET

1. The President's Budget to Congress consists of several volumes. OMB produces the volumes from information that departments and agencies provide in response to [OMB Circular A-11](#). The individual volumes are described below.
 - a) The main *Budget* volume contains the President's message, along with broad statements of policy. It also includes information on the President’s priorities, and budget overviews organized by agency.
 - b) The *Appendix* contains detailed budget estimates by agency, operating unit, budget accounts, programs, and activities. The *Appendix* shows the President's proposals for each account with budget activity during the 20PY, 20CY, or 20BY fiscal years. It includes:
 - i) proposed appropriations language;
 - ii) budget schedules for each account;
 - iii) legislative proposals;
 - iv) explanations of the work to be performed and the funds needed; and
 - v) proposed general provisions applicable to a number of accounts or agencies.
 - c) The *Analytical Perspectives* volume contains analyses that highlight specific program areas or provide other significant presentations of budget data that place the budget in perspective.
 - d) The *Historical Tables* volume provides data on budget receipts, outlays, surpluses or deficits, Federal debt, and Federal employment over an extended time period, generally from 1940 to 20BY or 20BY⁺⁴.
2. Operating units may purchase copies of the President's Budget from the U.S. Government Bookstore (<http://bookstore.gpo.gov/collections/budget.jsp>) or view/download budget documents at <http://www.budget.gov/budget>.

SECTION 32 – GENERAL INSTRUCTIONS FOR THE PRESIDENT’S BUDGET

A. General Instructions

- 1) Normally, during November and December, agencies submit data and print materials for inclusion to the President’s Budget. Actual timelines are established each year by OMB and internal Department-wide target dates are set by the Office of Budget. OMB establishes a cut-off date after which agencies can no longer enter data into MAX. The Office of Budget follows with a cut-off date for the operating units. Operating units should make sure that their entries are complete and correct before the agency cutoff date.
 - i) MAX Homepage: <http://max.omb.gov>
 - ii) MAX A-11 Data Entry: <http://maxportal/webPage/a11/maxa11>
- 2) MAX A-11 Data Entry (MAX) is the computer system used to collect and summarize most of the information printed in the budget appendix and the companion volumes of the President’s Budget. Data collected include budget authority, outlays, obligations, FTE, and receipts. Operating units input budget data in schedules within MAX. The Office of Budget ensures that control totals are met when operating unit data are summarized.
- 3) Dollars are reported at the budget account level in millions. While reporting in millions, OMB’s preferred method of rounding numbers is to the nearest even million (for example, both \$11,500,000 and \$12,500,000 would round to 12).
- 4) Print materials include the proposed appropriations language and narrative statements, footnotes, and tables which are printed in the budget appendix. Generally, operating units will submit proposed 20BY appropriations language by marking up language enacted in 20CY provided by OMB in the MAX A-11 software.
- 5) Narrative statements are required for every active account. While preparing the narratives, operating units should consider the following OMB guidelines:
 - i) Address policies and objectives for 20BY;
 - ii) Include quantitative tables that match program performance and dollar data;
 - iii) Discuss performance goals and indicators and how the budget request supports them;
 - iv) Discuss efforts to improve program performance and efficiency; and
 - v) Discuss pertinent legislation enacted since the previous budget.

B. General Style Guidelines

- 1) [Section 95 of OMB Circular A-11](#) provides general style guidelines for use in the budget *Appendix* and other print materials for the President’s Budget. Operating units are expected to follow these guidelines for the President’s Budget submission and are strongly encouraged to use these guidelines in all other printed materials. The “Word/Phrase” and “Other Conventions” tables are reproduced below.

Word/Phrase	Usage
1970s, 1980s, 1950s, etc.	no apostrophe before the letter “s”
2007-2008 school year	not 2007-08
2009 Budget	Budget has initial cap, do not use FY
2009 President’s Budget or the President’s Budget	President and Budget have initial caps
20 th Century; 21 st Century	Century is upper case
Administration	initial cap when referring to the current Administration
America	initial cap
an FY	not a FY
Armed Forces	initial caps
biodefense	no hyphen
biosurveillance	no hyphen
bioterrorist	no hyphen
Budget	initial cap when referring to the FY 20XX Budget of the United States
budget	lowercase usage: for estimates, such as “budget totals”; or for departments, such as “the Department of Education’s budget.”
carry over	separate words, as in “to carry over”
carryover	as in “carryover” balances
clean up	when used as a verb
clean-up	when used as a noun
the Congress	use “the” in front of “Congress”
Congress’	possessive
congressional	lower case
counterterrorism	no hyphen
crosscut or crosscutting	no hyphen
D.C.	include periods when abbreviating District of Columbia
Department	initial cap if part of a name (Department of Defense), or if standing alone and referring to a Federal unit

Word/Phrase	Usage
DOD	Department of Defense abbreviation (all upper case); same for other departments/agencies
e.g.,	means “for example”; comma follows abbreviation
E-Gov	initial cap E and G with hyphen
E-Government	initial cap E and G with hyphen
Federal	initial cap
Federal Government	initial cap F and G
federally funded	all lower case; no hyphen
Government	initial cap when referring to U.S.
Government-sponsored	initial cap G when referring to U.S. and is hyphenated
Government-wide	initial cap G when referring to U.S. and is hyphenated
i.e.,	means “that is”; comma follows abbreviation
Internet	initial cap
multiyear	one word
Nation	upper case when referring to U.S.
nationwide	lower case
non-Defense	hyphenated, generally
online	one word
pro rata	two words
R&D	use an ampersand (&) instead of “and”
reestimate	no hyphen
repropose	no hyphen
rescission	note spelling
servicemember	one word
spring/summer	no initial caps for seasons
south; north; east; west; Northeast; Southwest, etc.	initial cap in reference to a proper name or region, e.g., the Southeast; lower case when identifying compass directions, e.g., southeastern United States
State	initial cap when referring to one or more of the 50 United States
Tribes	initial cap T but lower case for “tribal”
U.S.	can abbreviate when used as an adjective, i.e., U.S. exports
United States	initial caps
web-based	hyphenate
website	one word
workforce	one word
workplace	one word

Word/Phrase	Usage
worldwide	one word
year-over-year percent change	hyphen usage

Other Conventions	Description
account titles	initial caps, e.g., Salaries and Expenses. Do not apply initial caps to conjunctions, prepositions, or articles included in the account title (e.g., and, to, from, the).
initiative or program activity names	initial caps, e.g., American Competitiveness Initiative, or Cooperative Extension Systems (in narrative text/non-MAX schedules). Do not use quote marks.
narrative headers	initial caps, e.g., Interstate Maintenance
in <u>text</u> passages, spell out State names.	e.g., Louisiana, Michigan, Alabama, etc.
in <u>tables</u> , use 2-letter Postal Service abbreviation for State names (due to space considerations)	e.g., LA, MI, AL (no periods)
Budget volume names	italicize, such as <i>Budget</i> volume, <i>Appendix</i> or <i>Analytical Perspectives</i> .
<i>Report</i> names	italicize
<i>www.net.gov</i>	italicize web addresses
<i>Olmstead v. L.C.</i>	italicize when citing law cases
in series: ;	use semi-colon
two spaces after a colon	
colons and semi-colons are on outside of quotes	“sample”: or “sample”;
comma placement examples: “Imposes limits, or “caps,” through 2008 on annual funding.”	Commas and periods should be placed inside quotation marks. Put a dash, question mark, or exclamation point within closing quotation marks when the punctuation itself and outside when it applies to the whole sentence. Colons and semi-colons are outside closing quotation marks.
further comma placement example	in a sequence of words separated by commas, with “and” linked to the last instance, use a comma before “and.” (Example: “eat, drink, and be merry”, not “eat, drink and be merry.”)
December 12, 2007,	generally gets a comma after the year when used in a clause
65-percent response rate	adjective (use of hyphen)
numbers listed as 1); 2); 3); etc.	use closed parenthesis only, i.e., not (1); (2); (3), etc.

Other Conventions	Description
its or it’s	“its” (with no apostrophe) is possessive, meaning “belonging to it.” “It’s” is a contraction that means <i>only</i> “it is.”
in text: zero to nine spell out, 10 and up use numbers	nine, 10
example of an exception in text referencing a range, e.g., 8 to 23	Although numbers zero through nine should be written out when standing alone, do not spell out numbers 0 through 9 when providing them in a range such as 2 to 11, or 9 to 24 (e.g., <u>not</u> two to 11 or nine to 24).
0.8 percent	generally no more than one decimal place
in tables use numbers	e.g., an increase of 3 percent
* (asterisk) in tables	in Excel-based tables use asterisk to indicate: an amount less than \$500 million (thousand) or less than 0.5 percent. The corresponding footnote should read: “Less than \$500 million (or thousand)” or “Less than 0.5 percent,” as appropriate.
use of “FY” is unnecessary in the various Budget volumes	all years are fiscal unless stated otherwise (typically noted at front of the volume)
the DOD, the HHS	no “the” before department/agency acronym
14 th	use superscript for “th”
9/11 do not use this reference	use either September 11 th (include superscript when used w/o citing 2001) or September 11, 2001
avoid use of “finally” instead use “also” or “further”	general rule
use “provides” or “proposes”	not “the budget seeks”
“slightly more than” rather than “over”	preferable
toward not towards	do not use the “s”
the Budget not “this” Budget	general rule
In total rather than “all told”	general rule

SECTION 33 – SPECIFIC INSTRUCTIONS FOR THE PRESIDENT’S BUDGET

- A. BCRD and all operating units have electronic access to MAX. Accurate data entry is important. The data becomes an official part of the President's Budget proposals and plans. MAX contains edit features that can identify data entry mistakes, including those that generate data reconciliation errors. The edit features protect the integrity of interrelated data entries. For example, entering a last-minute change in a single outlay figure may generate multiple MAX error messages if a user failed to also update all the interrelated data sections.
- B. [OMB Circular A-11](#) contains specific instructions for preparing budget data and print materials for the budget appendix. More detailed instructions for entering information in MAX may be found in the MAX A-11 User’s Guide at <https://max.omb.gov/maxportal>.
- C. OMB and the Department provide additional guidance on specific subjects as events warrant.

SECTION 34 – INTRODUCTION TO THE CONGRESSIONAL BUDGET SUBMISSION

- A. Operating units prepare a budget submission for Congressional Appropriations Committees to use in evaluating the President's Budget. An operating unit's congressional budget submission consists, in part, of the justifications and exhibits that it prepared for the OMB budget submission, revised to conform to the congressional submission's format requirements and the final OMB allowance.
- B. The congressional submission includes other materials (see E(3)). Operating units prepare backup exhibits that are not part of the formal congressional submission; these are used by the Office of Budget to prepare supplemental analyses of operating unit requests.
- C. The Office of Budget also prepares a Budget-in-Brief. It is a summary of the requests from the operating units. It receives wide public circulation and serves as a comprehensive guide to the Department's budget request for the year (see paragraph E(4) below).
- D. Submission Instructions and Deadlines
 - 1) Operating units submit drafts of their congressional submissions to BCRD. The Department's Office of Budget and OMB comment on draft submissions, after which operating units prepare final congressional submissions. Operating units send their completed congressional submissions, along with backup exhibits and any other information, to BCRD.
 - 2) The Office of Budget provides operating units each year with submission deadlines for drafts and finals of their congressional justifications.
- E. Justifications, Exhibits, and Backup Exhibits
 - 1) The congressional submission's justifications and exhibits differ somewhat from those prepared by the operating units for the OMB submission. Detailed instructions for preparing the justifications and exhibits that make up the congressional submission appear in subsection "F" of this section of the *Handbook*. Exhibits in the congressional submission reflect the final OMB allowances.
 - 2) Operating units omit from their congressional submissions certain exhibits that they prepared for the OMB submission. Several of the exhibits necessary for the OMB submission are not meaningful in the context of the congressional submission. Others merely serve as backup exhibits for the congressional submission. Operating units submit their backup exhibits to the Office of Budget separately from the remainder of the congressional submission.
 - 3) The exhibits that are neither part of the formal congressional submission nor defined as backup exhibits are as follows:

- i) Priority Ranking of Program Changes (Exhibit 4); and
 - ii) Summary of Outyear Changes (Exhibit 20).
- 4) The exhibits that serve as backup for the congressional submission are as follows:
- i) Summary of Reimbursable Obligations (Exhibit 6);
 - ii) Outlay Analysis Table (Exhibit 22); and
 - iii) Summary of Information Technology Resources (Exhibit 23).

F. Other Materials

- 1) There are several exhibits that are specifically mandated for the submission that are not part of either the Secretarial or the OMB submission. These are as follows:
- i) Appropriation Language and Code Citations (Exhibit 33);
 - ii) Consulting and Related Services (Exhibit 34);
 - iii) Periodicals, Pamphlets, and Audiovisual Services (Exhibit 35); and
 - iv) Average Grade and Salaries (Exhibit 36).

G. The Commerce Budget-in-Brief

- 1) The Commerce Budget-in-Brief is produced by the Office of Budget from materials prepared by operating units. Most of the information necessary for the Budget-in-Brief is contained in the Performance Goals and Measures (Exhibit 3A), the Summary of Resource Requirements (Exhibit 5), or the Adjustments to Base (Exhibit 8). The Office of Budget requires operating units to submit these three exhibits earlier than the balance of the congressional submission's exhibits so that it can produce the Budget-in-Brief.

The Budget-in-Brief includes basic information about the request for each account, and Department-level summary material in both tabular and narrative formats. The narrative introduction discusses the request in terms of the Department's goals and objectives. The introduction is followed by tables which summarize appropriations, budget authority, outlays, and FTE. The Budget-in-Brief contains narratives that discuss each operating unit's basic mission, summary of appropriations, budget year changes, and program increase details, as well as a performance summary table. Note that since performance is based on the resources available to a bureau, recurring reimbursables are included in the funding for performance

outcomes. The final section of the Budget-in-Brief includes a summary of authorizing legislation required to implement the President's proposals.

- 2) The Office of Budget distributes copies of the Budget-in-Brief to all operating units, to OMB, and to congressional staff.

H. Quantities to Submit

- 1) Operating units submit to BCRD five copies of the draft justifications, exhibits, and other materials that make up the congressional submissions. They send with their draft submissions five draft copies of their backup exhibits.
- 2) Operating units produce and submit to BCRD 100 copies of their final congressional submissions. The Bureaus of Census and Economic Analysis produce and submit an additional ten copies. All operating units submit to BCRD one copy of their final backup exhibits.
- 3) As mentioned above, each year the Office of Budget informs operating units of the submission deadlines for drafts and finals of the congressional submission.

**SECTION 35 – INSTRUCTIONS FOR THE CONGRESSIONAL SUBMISSION’S
JUSTIFICATIONS AND EXHIBITS**

A. Operating units prepare justifications and exhibits for their congressional budget submissions by updating and abridging the justifications they prepared for the secretarial and OMB submissions. Examples of the justification, exhibits, and backup exhibits that operating units need to prepare for the congressional submission appear in Appendix A of this portion of the *Handbook*. The templates in Appendix A conform to the instructions for the congressional submission contained in this section.

B. General Instructions

- 1) Operating units should comply with these general rules when preparing their congressional submissions and when supporting the production of the President's Budget:
 - i) The 20CY estimate reported in the exhibits is the enacted 20CY budget or, if not enacted at the time the justification is prepared, the President's 20CY budget request to the Congress;
 - ii) Exhibits report dollar requirements for specific programs, projects, and activities not just in terms of their obligations, but in budget authority as well;
 - iii) Unless otherwise identified, "obligations" means direct obligations, that is, total obligations minus offsetting collections;
 - iv) "Budget authority" is that which becomes newly available for an account's use or the use of a program, project, and activity during a fiscal period, thereby including transfers from other accounts, and excluding carryover and recoveries;
 - v) An obligation value is reported only if it is different from its corresponding budget authority value; and
 - vi) "Appropriation" means the new budget authority that an operating unit is requesting of the Congress. It's the amount needed to finance an account's unfunded direct obligations (that is, after considering transfers from others) as well as its programmatic commitments to other account's (that is, an accounts transfers to others).

C. Reporting Personnel Data Instructions

- 1) The congressional submission's exhibits report a variety of personnel data in response to the various needs of the readers. In particular:
 - i) Generally, the exhibits report both full-time equivalent employment; and

- ii) Unless explicitly requested, personnel data that the exhibits report apply only to those associated with direct obligations. One exception is data reported on Average Grades and Salaries (Exhibit 36) which includes both direct and reimbursable personnel.

SECTION 36 – SUMMARY MATERIALS

A. Table of Contents (Exhibit 1)

- 1) The table of contents is for the justification material. The materials are organized as displayed with separate sections for summary material, appropriation account material, and operating unit materials. Appropriation account material is shown separately by account. In the table of contents, subactivities are grouped by activity and page numbers are shown for each.
- 2) This exhibit, and all exhibits, should be labeled with the exhibit number in the upper right hand corner of the page.

B. Organization Chart (Exhibit 2)

- 1) This exhibit reflects the approved organizational structure at the time of the submission. If a change is proposed, two charts are required to show the current organization chart and the proposed structure.

C. Executive Summary (Exhibit 3)

- 1) This exhibit provides the operating unit with an opportunity to summarize its budget request in terms of operating unit priorities, secretarial priorities, and Administration priorities. The summary includes the following headings: 1) General Statement; 2) Goals of the Program; 3) Statement of Objectives; 3) Summary of Proposed Changes. Operating units must discuss their budget request in terms of the Department’s Strategic Plan.

D. Summary of Goals, Objectives and Performance Measures (Exhibit 3A)

- 1) This exhibit is the annual performance plan (APP) and is the primary location where most information related to the integration of budget and performance is provided. The exhibit provides a summary of the operating unit’s performance outcomes (objectives for specific operating units), and associated measures, targets and resources available to the operating unit to achieve its stated outcomes and measures. The operating unit should show a six-year target history: For the congressional submission, this should include four prior years, 20CY and 20BY. Prior years should include 20PY actuals for the year just ended, while 20CY targets should be updated to reflect the enacted budget or the 20CY President’s Budget if not enacted. Outyears should only appear in Exhibit 13. Actual funding data are also displayed for all available fiscal years. The dollar figures represent obligations by performance outcome. In the Resource Requirements table, funding amounts within each performance outcome are further broken down by the operating unit’s program accounts and activities as cited in the Budget in Brief. Information technology (IT) funding and FTE amounts are also displayed for each performance

outcome. OMB requirements for meeting the Government Performance and Results Act (GPRA) and for the Annual Performance Plan are addressed in [OMB Circular A-11](#), section 200. Additional OMB requirements for the Performance and Accountability Report (PAR) may be found in OMB Circular A-136.

- 2) Bureaus may be requested to provide information on funding at a different or more detailed level, such as line office program activity and strategic objectives, for program changes in Exhibit 12A.
- 3) The exhibit should include the following information for each performance outcome: description of how each performance outcome supports the corresponding Departmental strategic goal; priorities and challenges affecting the proposed budget; related performance measure summary with actual and target information; measure description; relevant program changes that apply to the performance measure with a cross-reference to Exhibit 13; and validation and verification information for each measure.
- 4) Performance data for program changes should also appear in Exhibit 13, and should include 20PY, 20CY, 20BY, and three outyears. If a program change has no related GPRA measure, the operating unit should propose a measure that will become a GPRA measure if the program change is accepted.
- 5) Include a Table of Contents specific to the 3A. Arabic numerals should be used for page numbering.
- 6) The exhibit should include the following sections, also to be listed in the Table of Contents:
 - i) Mission: Limit this section to no longer than a half page.
 - ii) DOC Goals and Objectives and Bureau Outcomes: Discuss how the bureau’s outcomes support the Department’s goals and objectives. Only include GPRA measures and significant long-term outcome measures. If a new outcome is added, a discussion that provides some context for the new outcome is required.
 - iii) PART Summary: Include discussion of relevant open PART recommendations and improvement plans. Status of prior year information in ExpectMore.gov may be cited as such and need not be repeated in the 3A. PART reviews done in prior years should only include scores, ratings, and open recommendations.
 - iv) Priorities and Management Challenges: Discuss how performance data and other evaluations have influenced the proposed budget and how the bureau will improve program performance. A brief, high-level discussion of performance may be summarized here.

- v) **Targets and Performance Summary:** This section combines into one table respective performance measure details, including prior year actuals and 20CY and 20BY targets, measure description, comments on changes to targets, relevant program changes, and validation and verification sections. Use one table per measure. Only list GPRA and long-term outcome measures. Note that the congressional submission should match the PAR for the year just ended.

- vi) **Program Changes:** The table for this section should cite the subsequent page in the budget justification where the program change and impact on performance measures are described in detail. Every proposed change should affect one or more GPRA measure. In rare instances where a proposed change does not affect a GPRA measure, propose a non-GPRA measure that will be affected. This measure will become a GPRA measure if the change is accepted. It is difficult to justify a program increase that does not reflect a measurable impact to a program. For more, please see page III (5) - 29.

- i) **Resource Requirements Summary.** Your budget should be Total Obligations (including recurring reimbursables).

SECTION 37 – APPROPRIATION ACCOUNT MATERIALS

A. Summary of Resource Requirements (Exhibit 5)

- 1) This schedule is included for each account in which direct obligations will occur in any year covered by the budget. It consists of two sections.
 - i) The first section tracks FTE, positions, direct obligations, budget authority and appropriations from the 20CY budget, or if not enacted, the President's 20CY budget, to the operating unit's 20BY estimate. (For operating units with identical amounts for direct obligations, budget authority, and appropriations, the first section of the exhibit can be simplified to show only budget authority.) The section includes:
 - (a) The appropriation available, 20CY, is the amount made available in the appropriations act;
 - (b) 20BY adjustments-to-base reflect uncontrollable cost changes;
 - (c) 20BY base is the 20CY appropriation plus adjustments-to-base;
 - (d) 20BY program changes represent the net amount requested above or below the 20BY base; and
 - (e) 20BY estimate represents the resources requested for 20BY and is the total of the 20BY base plus the 20BY program changes.
 - ii) The second section of the exhibit provides a comparison by activity. It summarizes by budget activity and subactivity the total FTE, positions, budget authority, and direct obligations related to the following columns:
 - (a) 20PY Estimate;
 - (b) 20CY Currently Available;
 - (c) 20BY Base;
 - (d) 20BY Estimate; and
 - (e) Increase / (Decrease) over 20BY Base.
- 2) Additionally, any adjustments such as transfers, financing from prior years, fee collections, etc., should be included in the Adjustments to Obligations section.

- 3) The detail by activity and subactivity should be identical to the 20BY President's Budget *Appendix* unless a restructuring is proposed and an Activity/Subactivity Change Crosswalk, Exhibit 18 for 20CY or 19 for 20BY, is submitted.

B. Summary of Financing (Exhibit 7)

- 1) This is the same format as the Adjustments to Obligations section of Exhibit 5 but with the addition of lines for reimbursables and other offsetting collections. If there are no offsetting collections, this exhibit should be excluded.
- 2) Exhibit 7 shows the relationship between total direct obligations and the budget authority and appropriation for 20PY actual, 20CY currently available, and the 20BY base and request. The increase/(decrease) column will show the difference between the 20BY base and the 20BY estimate. The appropriation line reflects the effect of transfers.
- 3) This schedule is prepared on the assumption that all resources are expended in the year in which they become available unless there has been a policy decision to the contrary or, in the case of the budget year, a proposal to the contrary. End of year unobligated balances in 20CY and 20BY therefore, appear on this exhibit only as a result of policy decisions or budget year proposals.

C. Adjustments-to-Base (Exhibit 8)

- 1) This exhibit summarizes by item the budget authority and FTEs required for each adjustment-to-base (ATB). The ATBs are categorized by transfers, adjustments, financing, and other cost changes. A description of each of these categories is given in the next section. In order to qualify as an ATB, an increase or decrease must meet the following criteria:
 - i) represent the cost of the same level of effort as in 20CY;
 - ii) result from actions outside the control of operating unit management;
 - iii) be supported by specific documentation that provides a basis for the estimates; and
 - iv) be known, not probable, cost adjustments (i.e., a request for an ATB for increases in per diem rates should not be requested unless GSA has published new rates with an effective date).
- 2) Each spring, the Department's Office of Budget, Budget Coordination and Reports Division (BCRD), will issue annual guidance to aid in the development of the ATBs for the budget year. Included will be economic assumptions, standard benefit contribution rates, and information regarding other adjustments. BCRD will notify operating units if economic assumptions change for the congressional process. For the secretarial and

OMB 20BY submissions, ATBs are computed based on the 20CY congressional request. For the 20BY congressional request, ATBs should be revised based on the 20CY enacted. If the 20CY appropriation is not enacted prior to the preparation/submission of the 20BY congressional request, the 20CY congressional request remains the base for the ATBs.

D. Justification of Adjustments-to-Base (Exhibit 9)

- 1) This exhibit details and justifies the amounts requested on Exhibit 8. Assumptions about factors such as retirement plan participation rates, health insurance rates, and life insurance rates are consistent throughout the explanations.
- 2) ATBs for the congressional process should be based on the object class distribution of the 20CY enacted appropriation. If the 20CY appropriation is not enacted prior to the congressional justifications being prepared, the ATBs should be computed using the object class distribution in the 20CY congressional justification. It is suggested that operating units calculate standard ATBs using electronic spreadsheets (see Worksheets tab) available from BCRD. This will ensure consistency among all operating units and also facilitate the preparation and review of these cost changes. These worksheets should be submitted as backup to the request. Other ATB increases requested must be thoroughly justified as to why they are uncontrollable and include the supporting documentation used in developing the estimates.
- 3) In computing ATBs, operating units should use whole dollars to calculate all adjustments and round to thousands of dollars to determine the ATB. If a calculation comes out to exactly .5, round to the nearest even number. For example, 7.5 (or \$7,500) and 8.5 (or \$8,500) would be rounded to 8 (or \$8,000). Calculated rates should be rounded to three decimal points, (i.e., .051 or 5.1%). Rates provided by external sources will not be rounded.
- 4) In the next sections, the most common ATBs are discussed. The format of this material includes general guidance, followed by a sample standard narrative to be used by operating units.
- 5) Most Common ATBs
 - i) Transfers
 - (a) Justifications for transfers must identify the operating units and accounts involved in the transactions. They must also state the reason and the purpose of the transfer. Documentation implementing the transfer, such as a signed memorandum of understanding, should be forwarded as back-up.
 - (b) Narrative example

- (1) Pursuant to a memorandum of understanding dated January 2, 20PY, one FTE and \$31,000 will be transferred to Salaries and Expenses, General Administration, to provide support for the financial management system.

ii) Adjustments

- (a) Adjustments will include uncontrollable cost changes unique to specific operating units. An example of an ATB in this category would be non-recurring items funded in the 20CY appropriation. Another example would be the restoration of an offset to the 20CY appropriation based on anticipated recoveries of prior year obligations. An operating unit may need to restore this reduction to the budget authority request to maintain the same program level.

(b) Narrative examples

- (1) Funds of \$57,000 funded in 20CY for data processing activities will not be required in 20BY.
- (2) In 20CY, the appropriation was reduced by \$1,000,000 based on offsets from anticipated recoveries of prior year obligations in 20CY. This ATB would restore the reduction in 20BY to maintain the 20CY program level.

iii) Financing

- (a) This category would identify financing of the proposed program level from funds other than the general fund or a special fund. Examples are new fees and estimated 20BY recoveries of prior year obligations. These estimates would be reported as reductions to the requested budget authority.

(b) Narrative example

- (1) In 20BY, this operating unit expects to realize recoveries of prior year obligations of \$1.5 million. This amount will be used to offset the budget authority in 20BY.

iv) Other Changes

(a) Pay Raises

- (1) Operating units should include the cost of annualization of 20CY pay raises.

(i) Narrative example

1. Full-year cost of the 20CY pay increase and related costs. A pay raise of 3.6% was effective January 1, 20CY.
- (2) In the fall, the President will make pay raise decisions for 20BY. These rates will be applied to the General Schedule, Foreign Service, Executive Schedule, the Senior Executive Service, and wage grade employees. The "A" Worksheets provide the format for computing pay raises.
 - (i) Narrative example
 1. A general pay raise of 3.9% is assumed to be effective January 1, 20BY.
 - (b) Full-year cost in 20BY of positions financed for part-year in 20CY
 - (1) Estimates for program changes that include additional personnel normally assume a delay in filling the new positions. That is, if a program increase requires four new people, cost estimates are based on the assumption that the four people will not start on October 1, 20BY, but on January 1, 20BY, due to the timing of the enactment of appropriations and personnel being hired and brought on-board. This would result in a 25% lower FTE usage in the initial year than subsequent years. The funding of this 25% increment in the second year is the annualization of the new positions and is treated as an ATB. The full-year amount is adjusted by a standard 5% lapse rate. Operating units should also include an adjustment to salaries to reflect the 20BY pay raise. See Worksheet B for more specific instructions and back-up format.
 - (i) Narrative example
 1. An increase of \$57,189 is required to fund the full-year cost in 20BY of positions financed for part-year in 20CY. The computation follows.
 - (c) Changes in compensable days
 - (1) Not all fiscal years have the same number of compensable days. When the budget year differs from the current year, the cost change would require an ATB. [OMB Circular A-11](#) includes a table with the number of compensable days over a four-year period. (See the section on Estimating Employment Levels and the Employment Schedule.) The number of compensable days in FY 2008 is 262, two more than 2007. FY 2009 and FY 2010 both have 261. Therefore, an ATB for a change in compensable days is necessary in FY 2008 and FY 2009.

(2) The ATB is calculated by dividing the applicable personnel compensation and benefits for the current year by the number of compensable days in that year. If in a future year, there should be a difference of two compensable days, the above result would be multiplied by two. Include in the calculation, costs that vary with the number of compensable days, such as salaries, retirement contributions, TSP, OASDI, Medicare, and life insurance. Exclude costs that do not vary with the number of compensable days, such as the cost of other personnel compensation (overtime, SES performance awards, cash awards, health benefits, and the Employees' Compensation Fund). Overtime may only be included if it is a significant portion of personnel costs and is a continuing requirement for executing routine duties. See Worksheet D for format of calculations.

(i) Narrative example

1. The increased cost of one more compensable day in 20BY compared to 20CY is calculated by dividing the 20CY estimated personnel compensation (\$6,708,000) and applicable benefits (\$791,000) by 261 compensable days. The cost increase of one compensable day is \$28,732.

(d) Civil Service Retirement System (CSRS)

(1) Prior to January 1, 1984, most employees were covered by CSRS. On that date, the Federal Employees' Retirement System was implemented covering all new employees. Hence, as new employees are hired, the number and percentage of employees under CSRS decline. The decreased cost of employer contributions for CSRS is treated as an ATB and is the difference between the estimated cost of such contributions in 20CY and 20BY. Estimates for both years are based on total salaries subject to retirement; the CSRS participation rates (percentage of such salaries under CSRS); and the employer contribution rates. Salaries subject to retirement will be based on 20CY estimates. The 20CY participation and contribution rates used in the calculations will be the percentages shown in the 20CY congressional budget. For 20BY, OB will issue annual guidance providing the projected participation rates for each operating unit. The CSRS contribution rates are set by law and will be included in the annual ATB guidance.

(i) Narrative example

1. The number of employees covered by the Civil Service Retirement System (CSRS) continues to drop as positions become vacant and are filled by employees who are covered

by the Federal Employees Retirement System (FERS). The estimated percentage of payroll for employees covered by CSRS will drop from 62.5% in 20CY to 61.7% in 20BY for regular and foreign service employees and from 90.9% in 20CY to 82.8% in 20BY for law enforcement employees. Contribution rates will remain the same.

(e) Federal Employees Retirement System (FERS)

- (1) This ATB reflects the increasing cost of employer contributions for the Federal Employees’ Retirement System. The adjustment is the difference between the 20CY and 20BY costs of such contributions. Estimates for both years are based on the total salaries subject to retirement costs; the percentage of such salaries anticipated to be subject to FERS contributions; and the rate for employer contributions. Salaries subject to retirement will be based on 20CY estimates. The 20CY percentage subject to FERS is the percentage shown in the 20CY congressional justification. The 20BY percentage equals the participation rate developed by the OB and provided to operating units. The Office of Personnel Management (OPM) is required by law to maintain FERS on a fully-funded basis. OPM uses periodic actuarial studies to determine funding levels necessary to maintain the viability of the system and adjusts contribution rates accordingly.

(i) Narrative example

1. The number of employees covered by FERS continues to rise as employees covered by CSRS leave and are replaced by employees covered by FERS. The estimated percentage of payroll for employees covered by FERS will rise from 37.5% in 20CY to 38.3% in 20BY for regular and foreign service employees. The estimated percentage of payroll for law enforcement employees covered by FERS will increase from 9.1% in 20CY to 17.2% in 20BY. The contribution rate for regular employees will decrease from 13% in 20CY to 12.9% in 20BY. For foreign service employees, the contribution rate will increase from 21.86% in 20CY to 25.20% in 20 BY. The contribution rate for law enforcement employees will remain the same.

(f) Thrift Savings Plan (TSP)

- (1) Employees covered under CSRS and FERS may participate in TSP, a tax-deferred savings plan. CSRS employees may contribute to this plan at no cost to the Government. For FERS employees, the Government is required

to contribute a minimum of 1% but no more than 5% of each employee's salary, determined by the amount of the employee's contribution. The exact percentage will vary based on each employee's contribution. Estimates of TSP are based on salaries subject to FERS retirement, FERS participation rates, and the operating unit's contribution rate. The first two factors will be based on the FERS computations (discussed in the above paragraph). For the contribution rate, 2% has been the standard rate used by most operating units. However, operating units may use actual payroll data to develop a more accurate rate, but must submit supporting documentation as back-up.

(i) Narrative example

1. The cost of agency contributions to the Thrift Savings Plan will also rise as FERS participation increases. The contribution rate is expected to remain 2%.

(g) Old-Age, Survivors and Disability Insurance (OASDI)

- (1) Estimates are based on the percentage of total salaries subject to FERS; the percentage of such salaries subject to OASDI contributions; and the applicable employer contribution rate. The percentage of total salaries subject to FERS will be based on the FERS ATB calculations. The salaries subject to OASDI contributions are capped each year by law. As the cap is raised, the relevant percentage increases. Operating units will need to compute the percentage of salaries under FERS at or under the cap. The employer contribution rate will be included in the annual ATB guidance. The second part applies to those operating units having employees with salaries not subject to retirement contributions (i.e., temporary or intermittent employees). The estimate is based on the difference between total salaries and salaries subject to retirement contributions; the percentage of such salaries subject to OASDI contributions; and the applicable employer contribution rate.

(i) Narrative example

1. As the percentage of payroll covered by FERS rises, the cost of OASDI contributions will increase. In addition, the maximum salary subject to OASDI tax will rise from \$82,800 in 20CY to \$87,750 in 20BY. The OASDI tax rate will remain 6.2% in 20BY.

(h) Health Insurance

- (1) Health insurance is an optional benefit. Employees can elect not to

participate or can choose among a wide range of plans. The cost estimate of employer contributions for health insurance varies widely depending on the health plans chosen by employees. To develop the ATB for health insurance, operating units should compare the average health insurance cost per person before and after the annual rate increase in January of each year. The percentage difference between the two would be applied to the 20CY estimated health costs. See Worksheet E for format of computation.

(i) Narrative example

1. Effective January 20PY, this operating unit's contribution to Federal employees' health insurance premiums increased by 10.7%. Applied against the 20CY estimate of \$366,000, the additional amount required is \$39,162.

(i) Federal Employees’ Compensation Act

- (1) In the summer of each year, the Employment Standards Administration of the Department of Labor will provide the amount due for benefits paid on behalf of operating units’ employees in the past year (July 1 through June 30) under the Federal Employees’ Compensation Act. The difference between the current billing and the previous year’s billing is requested as an ATB. For accounts subject to the appropriations process, the full amount billed is payable upon enactment of the 20BY appropriation.

(i) Narrative example

1. The Employees’ Compensation Fund bill for the year ending June 30, 20PY, is \$7,225 higher than the bill for the year ending June 30, 20PY-1. Upon enactment of the 20BY appropriation, this operating unit will reimburse the Department of Labor \$82,824 pursuant to 5 U.S.C. 8147.

(j) Travel

- (1) When the General Services Administration (GSA) increases/decreases mileage and/or per diem rates, operating units should request the rate changes as ATBs. For mileage rate changes, the GSA rate difference would be applied against the 20CY mileage estimate. ATB requests for per diem changes should be based on each operating unit's historical pattern of visited sites. The specific locations and the frequency of the trips should be considered. Based on these data, each operating unit would compute an average rate change and apply it to the 20CY per diem estimate. See

Worksheet F for the format of the per diem ATB computation.

(i) Narrative examples

1. Effective September 20PY-1, the General Services Administration raised the mileage rate from 32.5 cents to 34.5 cents per mile, a 6.2% rate increase. This percentage was applied to the 20CY estimate of \$31,000 to arrive at an increase of \$1,922.
2. Effective January 20PY, the General Services Administration raised per diem rates. This increase results in a 3.9% increase to this operating unit. This percentage was applied to the 20CY estimate of \$117,000 to arrive at an increase of \$4,563.

(k) Rental Payments to GSA

- (1) Each spring or early summer, the Department receives rate packages for GSA-controlled space. These packages are forwarded to each operating unit's space management staff for determining GSA costs for 20BY. The packages include proposed 20BY GSA rates and current square footage of each operating unit's location. Based on these data, space management staffs develop base estimates for GSA rent. Budget staff should contact that office for the estimated rent payment and request the increase or decrease over the 20CY estimate as an ATB.
- (2) After enactment of the 20CY appropriation and receipt of the OMB 20BY final allowance, rent estimates for both years may need revision. Budget and space management staffs should cooperate in developing the estimates for inclusion in the 20BY congressional budget.

(3) Narrative example

- (i) GSA rates are projected to increase 2.9% in 20BY. This percentage was applied to the 20CY estimate of \$1,618,000 to arrive at an increase of \$46,922.

(l) Postage

- (1) When the Postal Service implements changes in postage rates, operating units should request the cost increases as ATBs. The rate increase would be applied against the 20CY postage estimate to arrive at the ATB.

(i) Narrative example

1. Effective February 20PY, the Postal Service implemented a rate increase of 16%. This percentage was applied to the 20CY estimate of \$85,000 to arrive at an increase of \$13,600.

(m) Working Capital Fund, Departmental Management

- (1) OB will notify each operating unit of its allocation in the final ATB allowance letter during the secretarial process. This allocation may be revised based on the OMB passback.

(n) General Pricing Level Adjustment

- (1) Operating units may apply the most recent OMB non-pay Federal deflator to the 20CY estimates for transportation of things, rental payments to others; communications, utilities, and miscellaneous charges (excluding postage); GPO printing, other contractual services (excluding CAMS and WCF), supplies and materials, and equipment to cover increases due to inflation. Applying this deflator negates the requirements for operating units to submit requests for specific contractual service and supply increases. Such requests will not be funded in allowances. Although there may be cost increases that exceed the applied deflator, there may be other terminating contracts or other unidentified decreases that may be used to accommodate any funding disparity for these items. The increased costs should be absorbed within amounts currently in base funding or within the overall adjustments-to-base requested for the general pricing level adjustment.

(i) Narrative example

1. This request applies OMB economic assumptions for FY 20BY to object classes where the prices the Government pays are established through the market system. Factors are applied to transportation of things,(\$0); rental payments to others (\$0); communications, utilities and miscellaneous charges (excluding postage) (\$1,314); GPO printing (\$1,395); other contractual services (\$77,184); supplies and materials (\$1,476); and equipment (\$4,914).

E. Program and Performance: Direct Obligations (Exhibit 10)

- 1) This schedule displays the direct obligations and full-time equivalent employment associated with the line items within each subactivity. Where header strips for each item in this exhibit and the next one are brief, they may be followed on the same page by the start of narrative information to avoid wasting space.

F. Program and Performance: Reimbursable Obligations (Exhibit 11)

- 1) This exhibit is no longer required. Information will be requested on an as needed basis.

G. Justification of Program and Performance (by Subactivity) (Exhibit 12)

- 1) The justification covers every subactivity for which direct obligations will be incurred or FTE used in any year covered by the budget. Column headings will be identical to those found in the "Summary of Resource Requirements." The justification includes the following subjects, each under a separate heading. Each header is centered.
- 2) Goal Statement - Each base program narrative begins with a brief statement of the subactivity's goals. The goal is a one or two sentence description that links to a specific measure of program impact previously described in the executive summary.
- 3) Base Program - The base program narratives describe each of the operating unit's subactivities in detail, and they provide a framework for assessing whether resources are being used efficiently and effectively. The program narratives provide supporting information about line items to further explain the work performed in each subactivity.
- 4) Statement of Operating Objectives - The next section presents the subactivity's objectives for the budget period. These objectives set targets for the specific work that will be performed in pursuit of policy objectives. They establish deadlines for achieving reorganizations, and they attempt to forecast when the benefits will be obtained. They define the expectations for the benefits to be derived from new technologies and initiatives.
- 5) Explanation and Justification - This section describes the subactivity's operations and services. It briefly describes the work carried out within the line items. It reveals which of the operating unit's organizations participate in the subactivity's operations. It explains what they do. It describes the field structure of the organizations, the characteristics of the client population, or any other facts needed to explain the nature and amount of work performed within the subactivity. It identifies major trends or other forces that can be expected to influence the subactivity during the budget period.
 - i) This section also explains the relationship between the subactivity's work and the operating unit's program impacts. It cites any evidence that measures the benefits of the subactivity's work or the contribution its work makes to the mission of the

operating unit. It lists any factors that impede the measurement of the work's benefits and contributions.

ii) Finally, it explains any alternative means of achieving equivalent benefits. It indicates whether private sector alternatives to its operations exist. It also mentions any other Government programs that provide similar or competing services. It describes why such alternative service delivery options are unsatisfactory.

6) Measures of Performance (all sources of funding) - This section forecasts changes in the level of services and operations of the subactivity. Its purpose is to illustrate trends in the level of the subactivity's work. It presents performance forecasts that compare to the performance level proposed in the previous President's Budget. It contains supporting narrative necessary to define and explain the performance measures and is consistent with the operating unit's performance plan. The performance measures section of the base narrative should contain all performance measures associated with each subactivity line item.

7) Proposed Legislation - The justification highlights all requirements for new authorizing legislation. Included are requirements for extension of existing legislation as well as any legislative proposals for lapse or repeal of existing legislation. A description of the proposed legislation should describe the new legislation in detail and justify the need for it. This section of the justification serves as the basis for the departmental legislative package proposal.

H. Contribution to Strategic Planning Goals and Objectives (Exhibit 12A)

1) **This exhibit is unique to NOAA.** For each justification of program change, the Exhibit 12A shows 20PY, 20CY, and 20BY base, 20BY estimate, and increase / decrease from the base for program funding by line office, as broken out by NOAA's strategic performance and mission support objectives. NOAA may compile a single Exhibit 12A including all line offices, or an Exhibit 12A for each line office. Data should include ORF, PAC and a combined total.

I. Program Change for 20BY (Exhibit 13)

1) The program change exhibit and its accompanying narrative are designed to provide sufficient information to understand what the operating unit is proposing and to determine whether the change is justified. The program change exhibit describes and lists substantive departures from the resource levels included in a subactivity's 20BY line item base. Program changes are defined as increases, decreases, or substantive changes without resource effects. The heading for this exhibit reads "Increase(s)," "Decrease(s)," or "Changes," as appropriate. The description of each change starts on a separate page.

2) Summary - The program change exhibit and narrative begin with a summary line that

indicates the line item that would be affected by the program change. It also shows the affected line item's base resource level, the 20BY estimate that includes the effects of the change, and the incremental amount of the program increase or decrease. Following the base resources summary line, in a separate paragraph, is a summary description of the change with its short title underlined. (The short title is followed by the incremental amount of the change, in full-time equivalent employment and in dollars.)

- 3) Program Change Explanation and Justification - Following the summary description, if appropriate, describe specific components of the initiative and how the resources will be used. Do include a detailed discussion of past program performance and impact to current performance measures if funded. Especially important are those outcome oriented measures which indicate how the initiative impacts the economy (jobs, exports, etc.). Additionally, the initiative should also be put in the context of the Department’s Strategic Plan by discussing which strategic themes and goals are supported. This discussion would be consistent with the operating unit’s performance plan.
- 4) Performance Measures - Following the program change narrative is a table of the operating unit’s performance measure(s) affected by the initiative. The table reflects the performance for 20PY, 20CY, 20BY and three outyears. The table should also reflect how performance will improve with the increase or change without the increase (or similarly how it will change with and without a decrease). These performance measures must be consistent with the measure(s) in the base narrative and in the operating unit’s performance plan, or, if there is no related GPRA measure, include a proposed measure that will become a GPRA measure if the change is accepted. Note that the Exhibit 3A cross-references this section. For more information please see page III (5) – 14.
- 5) Costs - Following the Performance Measures table is a summary table of the program change's resource affects in the budget year and the outyears. All outyear resources are expressed in 20BY dollars.
- 6) Resource requirements for program increases are sorted according to whether or not they are capitalized. Capitalized resources are defined as those used to acquire goods or services that will remain available beyond the fiscal year in which they are acquired or first placed in service, whichever is later. As a general rule, capitalized resources fall into three object classes, as defined by the [OMB Circular A-11](#): other services (25.0), equipment (31.0), and land and structures (32.0). Not all resources in these object classes are necessarily capital resources, however. Footnotes at the bottom of Changes for 20BY (Exhibit 13), as appropriate, clarify the assumptions used to distinguish between capitalized and non-capitalized resources. For additional reporting requirements for requests for capital assets, refer to Volume III, Chapter 1.
- 7) The summary table also displays the initiative’s budget authority, outlays, and FTE in the

budget year and the outyears. Footnotes at the bottom of Changes for 20BY (Exhibit 13), as appropriate, indicate those program change proposals where the life-cycle costs and benefits would not fully accrue during the period 20BY through 20BY+4. All such footnotes define the full life-cycle of the program change.

J. Program Change Personnel Detail (Exhibit 14)

- 1) This exhibit provides the basis for the estimate of personnel compensation for each program change requested. It includes the title and grade of each position and the number of positions requested for each. Salary figures reflect the 20CY rates at Step 1 of each grade for program increases and are based on the pay rate of the location where the new employees will be assigned. Estimates for salaries for program increases assume that new positions are filled no sooner than the beginning of the second quarter of the year. Such estimates, therefore, reflect no more than 75 percent of the full year cost of new positions. An adjustment for the 20BY pay raise to total salaries is shown on one line entry.
- 2) For program decreases, the current grades and steps for all positions to be eliminated are shown. An amount for benefits to former personnel is usually included when eliminated positions are not picked up elsewhere.

K. Program Change Detail by Object Class (Exhibit 15)

- 1) This exhibit shows the object class detail for each program change requested. The table includes all major object classes even if no funds are required for some.

L. Summary of Requirements by Object Class (Exhibit 16)

- 1) This exhibit is included for each account in which direct obligations will occur in any year covered by the budget. The Increase/(Decrease) column compares the 20BY Estimate to the 20BY Base. The total 20BY increase/decrease of all Exhibits 15 should equal the total increase/decrease column on the Summary of Requirements by Object Class, Exhibit 16. For more information on object classification, refer to [OMB Circular A-11](#).

M. Detailed Requirements by Object Class (Exhibit 17)

- 1) This exhibit follows the same format as the Summary of Requirements by Object Class (Exhibit 16), but provides more detail for the object classes. If other detailed categories are necessary, they may be included. The level of detail in the sample exhibit is the minimum level of detail required. For more information on object classification, refer to [OMB Circular A-11](#).

N. Activity/Subactivity Change Crosswalk (Part I - CY Structure) (Exhibit 18)

- 1) If no changes are proposed to appropriation or activity structure, this exhibit is not required.
- 2) If a change to appropriation or activity structure is proposed, this exhibit should be included displaying the budget request in terms of 20CY budget structure and the proposed new structure.
- 3) The crosswalk displays the 20BY total direct obligations request in the activity/subactivity structure from the 20CY budget structure. It indicates the changes being proposed for 20BY and accounts for all subactivities. If no changes are proposed for a subactivity, it indicates "No change" under the "Proposed Changes" section of the table.

O. Activity/Subactivity Change Crosswalk (Part II - BY Structure) (Exhibit 19)

- 1) This crosswalk displays the activity/subactivity structure proposed for 20BY and redistributes total direct obligations amounts for 20PY-2 to 20BY in terms of the new structure. The amounts shown in the 20BY column reconcile to the changes proposed in Exhibit 18. The amounts shown in all Exhibits 19 reconcile to Exhibit 18.

P. Appropriations Requiring Authorizing Legislation (Exhibit 29)

- 1) This exhibit is no longer required.

Q. Justification of Proposed Language Changes (Exhibit 32)

- 1) This table details substantive language changes to the 20CY appropriation language. Changes should be sequentially numbered and footnoted in a brief paragraph describing the rationale for the proposed language change. Quotation marks should be used properly. Provisions proposed for deletion should be bracketed and new language should be underlined.

This exhibit and those that follow are specifically required for the congressional submission.

R. Appropriation Language and Code Citations (Exhibit 33)

- 1) Quote each section of the existing appropriation language followed by all applicable code citations.

S. Consulting and Related Services (Exhibit 34)

- 1) Begin with a brief paragraph summarizing the operating units’ requirements for consulting and related services as defined by [OMB Circular A-11, section 83.12](#). Follow with brief summary statements of each of the types of services identified above which have actual or estimated obligations for any of the years 20PY - 20BY.

T. Periodicals, Pamphlets, and Audiovisual Services (Exhibit 35)

- 1) All operating units that prepare written and audio visual products as defined below should summarize the requirements for such items in a brief paragraph. Follow this opening paragraph with brief summary statements of each of the types of materials identified above which have actual or estimated obligations for any of the years 20PY-1 through 20BY.
- 2) Definitions
 - i) Periodicals - All agency publications, including journals, magazines, periodicals, and similar publications that are issued semiannually or more often for the purpose of disseminating information, and that have an established policy as to format, specification, content, and purpose. The term periodical does not apply to strictly administrative reports, memoranda, and similar materials, or to strictly statistical materials and information required exclusively for the official use of the issuing office in the transaction of its routine business.
 - ii) Pamphlets - All agency publications of 50 copies or more for distribution to the public that are printed and bound, generally fewer than 80 pages in length, and usually enclosed in paper covers. Pamphlets obtained through contracts with printers, consultants, and others are included.
 - iii) Audiovisual Products - Material containing sound or visual imagery for conveying a message; includes slide sets, film strips, motion pictures, television (including spot announcements on film, video-tape and disc), audio recording (including spot announcements on tape and disc), and mixed media (any combination or two or more media) productions.

U. Average Grade and Salaries (Exhibit 36)

- 1) Provide 20PY actual and 20CY and 20BY estimates of average grade and salary. Include data for ES, GS/GM, Senior Foreign Service, Foreign Service, NOAA Corps etc. and all other types of positions as used by the operating unit.

SECTION 38 – BACKUP MATERIALS

- A. Operating units should omit from their congressional submission certain "backup" exhibits from the OMB submission and send them separately to the Office of Budget.

- B. Summary of Reimbursable Obligations (Exhibit 6)
 - 1) This exhibit displays reimbursable obligations in the same format as the second section of the Summary of Resource Requirements (Exhibit 5).

- C. Outlay Analysis Table (Exhibit 22)
 - 1) This table provides outlay data for each account in which there are planned or actual outlays in any of the years 20PY through 20BY+4. Normally outlays for an account are projected on the basis of a single set of estimates of the rate at which funds will be outlaid for obligations. These estimates normally take the form of the percentages of a year's obligations for which funds will be outlaid in that year and each succeeding year. These percentages are often referred to as "spendout rates" and should be rounded to the nearest whole number. In cases, however, where programs within a single account have distinctly different spendout rates, such rates are used for projections and the standard table is modified accordingly.

 - 2) Resources Available for Outlay - This column shows all resources available to be outlaid. These resources consist of obligated balances at the start of 20CY and estimated obligations for 20CY - 20BY+4.

 - 3) For selected revolving funds, where net obligations would be a negative number, the table should use gross obligations to calculate gross outlays and include a line for subtracting the absolute value of offsetting collections to arrive at net outlays. Exhibit 22 (Alternate) provides the format to use for these funds.

 - 4) Outlays
 - i) The spendout rates used are consistent with the rates used in MAX.

 - ii) The total outlays shown in the last column equal the resources available for outlay for each year unless the projected spendout exceeds the number of years available on the table.

- D. Summary of Information Technology (Exhibit 23)
 - 1) This table identifies financial resources for the prior, current, and budget years at the activity/subactivity levels reported on Exhibit 5. It cites IT investments within the activities/subactivities by title and unique project identifier used in the Agency IT

Investment Portfolio ([OMB’s A-11 Exhibit 53](#)). The data reported must be consistent with information provided on Exhibit 53.

SECTION 39 – PRESENTATION, PAPER SIZE, PRINTING

A. Presentation

- 1) All narrative materials are typed single spaced in accordance with the formats provided in the exhibits.
- 2) All exhibits begin on a separate page.
- 3) The typed material is be clear and sharp in order to make good clear copies and contains no penciled additions, deletions or corrections.
- 4) The Summary of Resource Requirements (Exhibit 5) is printed on salmon-colored paper.

B. Paper Size

- 1) All narratives and exhibits are printed in landscape mode on 8 ½ by 11 inch paper.

C. Exhibit and Page Numbering

- 1) Each exhibit is numbered according to the established Department of Commerce convention, with "Exhibit XX" shown in the upper right hand corner of the exhibit's first page. Page numbers are preceded by the agency designations shown below. All pages are numbered consecutively within each agency. Page numbers appear in the lower right hand corner. Any changes or corrections made in the pages after the initial submission to the Department are marked "Revised" and dated. For example: DM-1 Revised 06-18-02.

D. Agency Designations

Agency – Full Name	Agency Designation
Departmental Management	DM
Office of Inspector General	OIG
Economic Development Administration	EDA
Bureau of the Census	CEN
Economic and Statistical Analysis	ESA
International Trade Administration	ITA
Bureau of Industry and Security	BIS
Minority Business Development Agency	MBDA
National Oceanic and Atmospheric Administration	NOAA
Patent and Trademark Office	USPTO
Technology Administration	TA
National Institute of Standards and Technology	NIST
National Technical Information Service	NTIS

Agency – Full Name	Agency Designation
National Telecommunications and Information Administration	NTIA

E. Printing

- 1) The following instructions are included on the CD-10:
 - i) Three-hole punch;
 - ii) 3/8" drill to be used;
 - iii) 4-1/4" center to center;
 - iv) To be centered on page;
 - v) Outside holes to be 1/4 inches from center of hole to edge of paper;
 - vi) Do not staple; and
 - vii) Print on both sides.
- 2) A sample for punching is normally attached to the CD-10.

F. Electronic Submission

- 1) The Office of Budget may provide electronic formats for operating unit use in submitting budget exhibits. Additionally, specific direction may be provided for operating units to submit their entire justifications electronically. The [OMB Circular A-11](#) requires agencies to post the congressional budget justification materials on the Internet within two weeks after transmittal to the Congress.

THE PRESIDENT'S AND CONGRESSIONAL BUDGET

VOLUME III (CHAPTER 5) - APPENDIX A

EXHIBITS

Assumptions shown in the exhibits are for illustrative purposes only.

APPENDIX A - EXHIBITS FOR SUBMISSION TO THE OFFICE OF MANAGEMENT AND BUDGET

Assumptions shown in exhibits are for illustrative purposes only.

TABLE OF CONTENTS

<u>Exhibit</u> <u>Number</u>	<u>Page Number</u>
Exhibit 1	A - III (3) - 1
Exhibit 2	A - III (3) - 2
Exhibit 3	A - III (3) - 3
Exhibit 3A	A - III (3) - 5
Exhibit 5	A - III (3) - 10
Exhibit 7	A - III (3) - 11
Exhibit 8	A - III (3) - 12
Exhibit 9	A - III (3) - 13
Exhibit 10	A - III (3) - 22
Exhibit 12	A - III (3) - 24
Exhibit 13	A - III (3) - 25
Exhibit 14	A - III (3) - 31
Exhibit 15	A - III (3) - 32
Exhibit 16	A - III (3) - 38
Exhibit 17	A - III (3) - 40
Exhibit 18	A - III (3) - 47
Exhibit 19	A - III (3) - 48
Exhibit 31	A - III (3) - 49
Exhibit 32	A - III (3) - 50
Exhibit 33	A - III (3) - 51
Exhibit 34	A - III (3) - 52
Exhibit 35	A - III (3) - 53
Exhibit 36	A - III (3) - 54
Exhibit 6	A - III (3) - 56
Exhibit 11	A - III (3) - 57
Exhibit 20	A - III (3) - 58
Exhibit 22	A - III (3) - 59
Exhibit 26	A - III (3) - 60
Exhibit 30	A - III (3) - 62

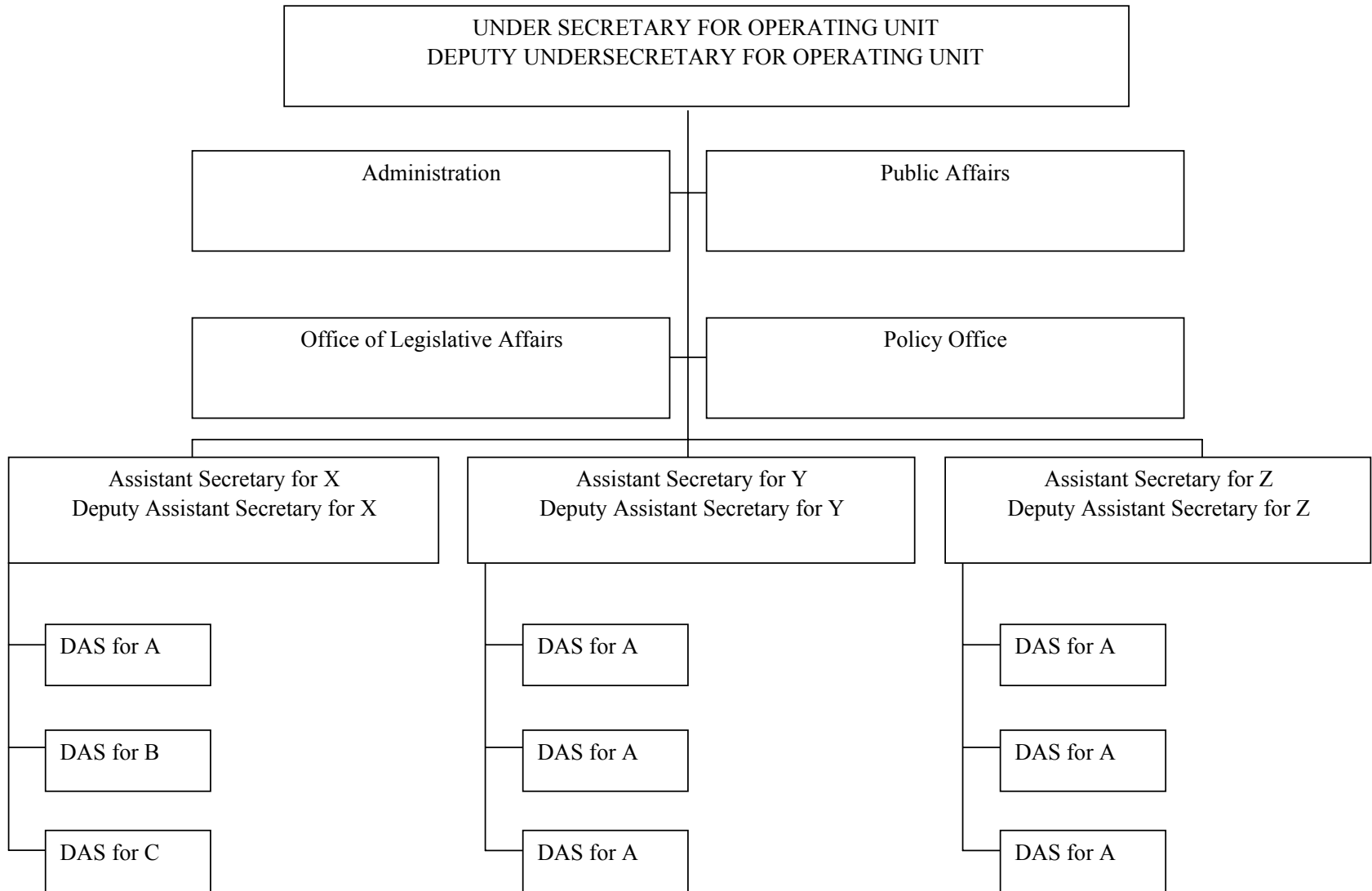
**DEPARTMENT OF COMMERCE
OPERATING UNIT OF COMMERCE
Budget Estimates, Fiscal Year 20BY
Secretarial Submission**

Table of Contents

<u>Exhibit Number</u>	<u>Exhibit</u>	<u>Page Number</u>
2	Organization Chart	OUOC-
3	Executive Summary	OUOC-
3A	Summary of Performance Goals and Measures	OUOC-
5	Summary of Resource Requirements: Direct Obligations	OUOC-
7	Summary of Financing	OUOC-
8	Adjustments to Base	OUOC-
9	Justification of Adjustments to Base	OUOC-
10	Program and Performance: Direct Obligations	OUOC-
12	Justification of Program and Performance	OUOC-
13	*Increases/Decreases/Changes for 20BY	OUOC-
14	*Program Change Personnel Detail	OUOC-
15	*Program Change Detail by Object Class	OUOC-
16	Summary of Requirements by Object Class	OUOC-
17	Detailed Requirements by Object Class	OUOC-
18	Activity/Subactivity Change Crosswalk - Part I(CY)	OUOC-
19	Activity/Subactivity Change Crosswalk - Part II (BY)	OUOC-
31	Appropriation Summary Statement	OUOC-
32	Justification of Proposed Language Changes	OUOC-
33	Appropriation Language and Code Citations	OUOC-
34	Consulting and Related Services	OUOC-
35	Periodicals, Pamphlets, and Audiovisual Services	OUOC-
36	Average Grade and salaries	OUOC-

* If applicable.

**Department of Commerce
Operating Unit of Commerce**



Department of Commerce
Operating Unit of Commerce
Budget Estimates, Fiscal Year 20BY

General Statement
[DESCRIPTION]

The executive summary is a free-standing summary of the operating unit's budget request. It is a succinct, multi-purpose document. It provides a policy context. It proposes program objectives. It describes the impact of programs. It presents the budget estimates. The executive summary is suitable for separating from the rest of the budget and for informing others, quickly and clearly, about the operating unit's budget request. It includes the following

Goals of the Program

Statement of Objectives

This section must include the following:

- Summary of key things the unit wants to accomplish;
- Separation of high and low priority budget activities and anticipated outcomes of each; and,

Summary of Proposed Increases/Decreases

The operating unit provides a listing of proposed budget increases by naming each, identifying the BY FTE and dollar requests, and providing a brief paragraph explaining the purpose of each.

Summary of Performance and Resources

- Performance:
 - Measures of major performance "impacts" indicating the effects the program has on society.
 - Role is to illustrate the changes in program performance the operating unit expects to achieve in the budget period.
- Resources
 - Discusses program changes approved in the 20BY planning ceiling.
 - Summarizes resources needed to achieve forecasted performance levels.
 - Benchmark for the request is the preceding year's President's budget.

**Department of Commerce
Operating Unit of Commerce
FY 20BY Annual Performance Plan**

Table of Contents

- Section 1. Mission
- Section 2. Corresponding DOC Strategic Goal and Objective / Outcome
- Section 3. PART Summary
- Section 4. Priorities / Management Challenges
- Section 5. Target and Performance Summary Table (with brief measure descriptions) / Validation and Verification
- Section 6. FY 20BY Program Changes [None except anomalies for this year's budget]
- Section 7. Resource Requirements Summary

Mission

Your mission statement and discussion should be no more than a half page. Print your mission in black on white background.

Corresponding DOC Strategic Goal, Objective / Outcome

Be sure to state the corresponding DOC Strategic Goal and Objective

The Objectives or Outcomes must match the DOC FY 20[PY-1]-20[BY+2] Strategic Plan.

Include a description of the performance outcome [or objective for NOAA]. This description must discuss how your bureau's performance outcomes support the Department's goals consistent with the FY 20[PY-1]-20[BY+2] Strategic Plan.

PART Summary

Provide this information in the following table for PART reviews. Only include open recommendations. Below the table, please include a discussion of how PART and other performance information has influenced your FY 20BY request.

Program:	Year	Score	20PY Funding	20CY Funding Estimate	20BY Funding Request
Open recommendations: 1 2 3					

[Please include discussion here.]

Priorities / Management Challenges

You must provide a discussion as to how priorities and management challenges affect the proposed budget.

Targets and Performance Summary / FY 20BY Target Description / Measure Descriptions / Validation and Verification

Combine the Target and Performance Summary, FY 20BY Target Description, Measure Description, Relevant Program Increase(s), and Validation and Verification information the specific measure into the same table, one table per measure (there should be white space between measures, for readability). Simplify measure descriptions to no more than three sentences. Limit this table to GPRA measures. Non-GPRA measures such as internal measures may be included in the initiative text later in the Exhibit 13 performance table, if these support the initiative. Regarding V&V, you should be able to copy in the relevant line of information for each measure from last year's section 9 table. Use the following table:

Outcome 1 – [NAME OF OUTCOME]							
Measure: [NAME OF MEASURE]		FY 20[PY-3] Actual	FY 20[PY-2] Actual	FY 20[PY-1] Actual	FY 20PY Target	FY 20CY Target	FY 20BY Target
Description: [Please keep your measure description to a short paragraph.]							
Comments on Changes to Targets: [Include any information on why you are changing your FY 20PY or FY 20CY targets here.]							
Relevant Program Change(s):	Title:						Exhibit 13 Page no:
	[Enter the Title of the Program Change here.]						[Enter the page no. of the program change here.]
Validation and Verification							
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken		

Performance tables in Exhibit 13 (The Increase / Decrease exhibit) should include the measure number and APP (Exhibit 3A) page number when described in Exhibit 13. Describe Non-GPRA measures in Exhibit 13 only. NOTE: NOAA presents this information in Exhibit 12A.

Actual data for FY 20[PY-3] to FY 20[PY-1] should match that in the FY 20[PY-1] PAR. If it does not, an explanation is mandatory. For the congressional submission, please use the FY 20PY actuals (as reported for the FY 20PY PAR).

FY 20BY Program Changes

It is okay to note that there is a relevant non-GPRA (internal) measure(s), however, do not describe it (them) in the APP section as if it were a GPRA measure. Move descriptions of non-GPRA (internal) measures to exhibit 13 as shown below.

List program changes in the order that they appear in the budget (exhibit 13). Replace the “GPRA outcome” column with the APP page number in the measure description. See

	Accompanying GPRA		Base		Increase/Decrease		Page of Exhibit
	APP Page no.	Performance Measure no.	FTE	Amount	FTE	Amount	13 Discussion
Program Change:							

Exhibit 13:

The performance tables included in Exhibit 13 should have the following information:

Measure Name, Number, APP Page [IF IT IS A GPRA MEASURE CITE THE MEASURE NUMBER AND THE APP PAGE NUMBER]		FY 20PY Target	FY 20CY Target	FY 20BY Target	FY 20[BY+1] Target	FY 20[BY+2] Target	FY 20[BY+3] Target
	With Increase						
	Without Increase						
Description [ONLY INCLUDE IF THIS IS NOT A GPRA MEASURE. DO NOT FILL IN THIS SECTION FOR A GPRA MEASURE, WHICH WOULD BE DESCRIBED IN THE APP]							

Resource Requirements Table

	FY 20[PY-3] Actual	FY 20[PY-2] Actual	FY 20[PY-1] Actual	FY 20PY Estimate	FY 20CY Estimate	FY 20BY Base	Increase/ Decrease	FY 20BY Request
Performance Outcome 1: (title)								
List programs or line items (whichever applicable)								
Performance Outcome 2: (title)								
List programs or line items (whichever applicable)								

Grand Total								
Total Funding								
Direct								
Reimbursable								
IT Funding								
FTE								

Department of Commerce Operating Unit of Commerce Salaries and Expenses SUMMARY OF RESOURCE REQUIREMENTS (Dollar amounts in thousands)																				
Page No.																				
											Budget	Direct								
											Positions	FTE	Authority	Obligations						
Appropriation Available, 20CY											133	120	28,881	29,881						
20BY Adjustments to base:																				
plus: Restoration of recoveries/unobligated balances used to offset 20CY appropriation/non-recurring												(1)	1,000							
plus: Uncontrollable cost changes												1	452	452						
less: Estimated recoveries, 20BY													(1,500)							
20BY Base											133	120	28,833	30,333						
plus: 20BY Program changes											32	24	22,203	22,203						
20BY Estimate											165	144	51,036	52,536						
											20PY	20CY		20BY	20BY	Increase/(Decrease				
											Actual	Currently Available		Base	Estimate	over 20BY Base				
Comparison by activity/subactivity:																				
with totals by activity											Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
OUOC - Business Development	Pos./BA	51	16,352	51	16,829	51	16,850	83	34,553	32	17,703									
	FTE/Obl.	46	16,755	46	17,329	46	17,600	70	35,303	24	17,703									
OUOC - Program Management	Pos./BA	82	10,902	82	12,052	82	11,983	82	16,483	0	4,500									
	FTE/Obl.	74	11,170	74	12,552	74	12,733	74	17,233	0	4,500									
Total	Pos./BA	133	27,254	133	28,881	133	28,833	165	51,036	32	22,203									
	FTE/Obl.	120	27,925	120	29,881	120	30,333	144	52,536	24	22,203									
Adjustments for:																				
Recoveries													(1,000)	(1,500)	(1,500)					
Unobligated balance, start of year												(671)								
Unobligated balance transferred																				
Unobligated balance, end of year																				
Unobligated balance expiring																				
Financing from transfers:																				
Transfer from other accounts (-)																				
Transfer to other accounts (+)																				
Appropriation											27,254	28,881	28,833	51,036	22,203					

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
SUMMARY OF FINANCING
(Dollar amounts in thousands)

	20PY Actual	20CY Currently Available	20BY Base	20BY Estimate	Increase/ Decrease/ over 20BY Base
Total Obligations	28,400	30,356	30,808	53,011	22,203
Offsetting collections from:					
Federal funds	(475)	(475)	(475)	(475)	0
Trust funds	0	0	0	0	0
Non-Federal sources	0	0	0	0	0
Recoveries	0	(1,000)	(1,500)	(1,500)	0
Unobligated balance, start of year	(671)	0	0	0	0
Unobligated balance transferred	0	0	0	0	0
Unobligated balance, end of year	0	0	0	0	0
Unobligated balance expiring	0	0	0	0	0
Budget Authority	27,254	28,881	28,833	51,036	22,203
Financing:					
Transfer from other accounts (-)	0	0	0	0	
Transfer to other accounts (+)	0	0	0	0	
Appropriation	27,254	28,881	28,833	51,036	22,203

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
ADJUSTMENTS TO BASE
(Dollar amounts in thousands)

	<u>FTE</u>	<u>Amount</u>
Transfers of Estimates	0	0
Adjustment	(1)	943
Financing		(1,500)
Other Changes:		
20CY Pay raise		71
20BY Pay raise	0	223
Full-year cost in 20BY of positions financed for part-year in 20CY	1	57
Within-grade increases		32
Change in compensable days		0
Civil Service Retirement System (CSRS)		(62)
Federal Employees Retirement System (FERS)		6
Thrift Savings Plan		1
Federal Insurance Contribution Act (FICA) - OASDI		6
Health insurance		39
Employees Compensation Fund		0
Travel:		
Mileage		2
Per diem		0
Rental payments to GSA		47
Postage		0
Printing and reproduction		2
NARA Storage & Maintenance		0
Other services:		
Working Capital Fund		0
CAMS		0
Grants		0
General Pricing Level Adjustment		85
Subtotal, other changes	1	509
Total, adjustments to base	0	(48)

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
JUSTIFICATION OF ADJUSTMENTS TO BASE
 (Dollar amounts in thousands)

	FTE	Amount
<u>Transfer</u>	(1)	(31)
<i>Pursuant to a memorandum of understanding dated January 2, 20PY, one FTE and \$31,000 will be transferred to Salaries and expenses, General Administration, to provide support for the financial management system.</i>		
<u>Adjustment</u>	(1)	943
Restoration of recoveries used to offset 20CY appropriation		
In 20CY, the budget authority was reduced by \$1,000,000 based on offsets from anticipated recoveries of prior year obligations in FY 20CY. This ATB would restore the reduction in FY 20BY, maintaining the approved program level.	0	1,000
Non-recurring funds from FY 20CY data processing activities Funds of \$57,000 requested for 20CY data processing activities will not be required in 20BY.	(1)	(57)
<u>Financing</u>	0	(1,500)
In 20BY, this bureau expects to realize recoveries of prior year obligations of \$1,500,000. This amount will be used to offset the budget authority in 20BY.		

	FTE	Amount
Other Changes:		
<u>Pay Raises</u>		294
Full-year cost of 20CY pay increase and related costs:		
The 20CY President's budget assumes a pay raise of 3.6% to be effective January 1, 20CY.		
Total cost in 20BY of 20CY pay increase		285,000
Less amount funded in 20CY		<u>(214,000)</u>
Amount requested in 20BY to provide full-year cost of 20CY pay increase		71,000
20BY pay increase and related costs:		
A general pay raise of 3.9% is assumed to be effective January 1, 20BY.		
Total cost in 20BY of pay increase		222,000
Payment to Working Capital Fund		<u>1,000</u>
Total, adjustment for 20BY pay increase		223,000
<u>Full-year cost in 20BY of positions financed for part-year in 20CY</u>	1	57
An increase of \$57,189 is required to fund the full-year cost in 20BY of positions financed for part-year in 20CY. The computation follows:		
Annual salary of new positions in 20CY	4	218,428
Less 5 percent lapse		<u>(10,921)</u>
Full-year cost of personnel compensation	4	207,507
Less personnel compensation in 20BY		<u>(3) (163,821)</u>
Cost of personnel compensation in 20BY	1	43,686
Adjustment for 20BY pay raise (.047 x .75 x 43,686)		<u>1,540</u>
Add'l amount required for personnel compensation		45,226
Benefits		<u>11,963</u>
Total adjustment-to-base	1	57,189

	FTE	Amount
<u>Within-grade step increases</u>		32
An increase of \$31,975 is required to cover the cost of within-grade step increases.		
Estimated number of within-grade step increases	35	
Step increases not earned due to turnover (17.8% x 35)	6	
Average step above step 1 per separation	3	
Average cost per within-grade step increase	1,664	
Gross cost of scheduled step increases (\$1,664 x 35)	58,240	
Less savings due to separations (\$1,664 x 6 x 3)	<u>(29,952)</u>	
Subtotal, personnel compensation	28,288	
Benefits	<u>3,687</u>	
Total adjustment-to-base	31,975	

Changes in compensable days

29

The increased cost of one more compensable day in 20BY compared to 20CY is calculated by dividing the 20CY estimated personnel compensation (\$6,708,000) and applicable benefits (\$791,000) by 261 compensable days. The cost increase of one compensable day is \$28,732.

	FTE	Amount
<u>Civil Service Retirement System (CSRS)</u>		
<p>The number of employees covered by the Civil Service Retirement System (CSRS) continues to drop as positions become vacant and are filled by employees who are covered by the Federal Employees Retirement System (FERS). The estimated percentage of payroll for employees covered by CSRS will drop from 62.5% in 20CY to 61.7% in 20BY for regular and from 67.2% in 20CY to 59.1% in 20BY for foreign service employees and from 90.9% in 20CY to 82.8% in 20BY for law enforcement employees. Contribution rates will increase/decrease or remain the same.</p>		
<i>Regular:</i>		
20BY		295,099
20CY		356,782
		<u>(61,683)</u>
<i>Foreign Service:</i>		
20BY		44,325
20CY		50,400
		<u>(6,075)</u>
<i>Law enforcement:</i>		
20BY		124,200
20CY		136,350
		<u>(12,150)</u>
Total adjustment-to-base		(61,683)

FTE Amount
 6

Federal Employee Retirement System (FERS)

The number of employees covered by FERS continues to rise as employees covered by CSRS leave and are replaced by employees covered by FERS. The estimated percentage of payroll for employees covered by FERS will rise from 37.5% in 20CY to 38.3% in 20BY for regular and 32.8% in 20CY to 40.9% in 20BY for foreign service employees. The estimated percentage of payroll for law enforcement employees covered by FERS will increase from 9.1% in 20CY to 17.2% in 20BY. The contribution rate for regular employees will increase/decrease or remain the same. For foreign service employees, the contribution rate will increase from 21.86% to 25.19% in 20BY. The contribution rate for law enforcement employees will remain the same.

Regular:

20BY \$6,708,000 x .383 x .107	274,901
20CY \$6,708,000 x .375 x .107	269,159
	<hr/>
	5,742

Foreign Service:

20BY \$ 1,000,000 x .409 x .2519	103,027
20CY \$ 1,000,000 x .328 x .2186	71,701
	<hr/>
	31,326

Law enforcement:

20BY \$ 2,000,000 x .172 x .2730	93,912
20CY \$ 2,000,000 x .091 x .2730	49,686
	<hr/>
	44,226

Total adjustment-to-base	5,742
--------------------------	-------

	FTE	Amount
<u>Thrift Savings Plan</u>		
The cost of agency contributions to the Thrift Savings Plan will also rise as FERS participation increases. The contribution rate is expected to remain 2%.		
Regular:		
20BY	$\$6,708,000 \times .383 \times .02$	51,383
20CY	$\$6,708,000 \times .375 \times .02$	50,310
		<hr style="width: 100%; border: 0.5px solid black;"/>
		1,073
Law enforcement:		
20BY	$\$2,000,000 \times .172 \times .02$	6,880
20CY	$\$2,000,000 \times .091 \times .02$	3,640
		<hr style="width: 100%; border: 0.5px solid black;"/>
		3,240
<i>Foreign Service:</i>		
20BY	$\$1,000,000 \times .409 \times .02$	8,180
20CY	$\$1,000,000 \times .328 \times .02$	6,560
		<hr style="width: 100%; border: 0.5px solid black;"/>
		1,620
Total adjustment-to-base		1,073

	FTE	Amount
<u>Federal Insurance Contribution Act (FICA)</u>		
As the percentage of payroll covered by FERS rises, the cost of OASDI contributions will increase. In addition, the maximum salary subject to OASDI tax will rise from \$82,800 in 20CY to \$87,750 in 20BY. The OASDI tax rate will remain 6.2% in 20BY.		
Regular:		
20BY \$6,708,000 x .383 x .937 x .062	149,253	
20CY \$6,708,000 x .375 x .918 x .062	143,172	
	6,081	
Other Salaries:		
20BY \$45,000 x .383 x .937 x .062	1,001	
20CY \$45,000 x .375 x .918 x .062	960	
	41	
<i>Foreign Service:</i>		
20BY \$ 1,000,000 x .409 x .859 x .062	21,783	
20CY \$ 1,000,000 x .328 x .877 x .062	17,835	
	3,948	
<i>Law enforcement:</i>		
20BY \$ 2,000,000 x .172 x .860 x .062	18,342	
20CY \$ 2,000,000 x .091 x .890 x .062	10,043	
	8,299	
Total adjustment-to-base	6,122	

Health Insurance

Effective January 20PY, this bureau's contribution to Federal employees' health insurance premiums increased by 10.7%. Applied against the 20CY estimate of \$366,000, the additional amount required is \$39,162.

39

	FTE	Amount
<u>Mileage rate increase</u> Effective September 20PY, the General Services Administration raised the mileage rate from 32.5 cents to 34.5 cents per mile, a 6.2% rate increase. This percentage was applied to the 20CY estimate of \$31,000 to arrive at an increase of \$1,922.	2	
<u>Per diem increase</u> Effective January 20PY, the General Services Administration raised per diem rates. This increase results in a 3.9% increase to this bureau. This percentage was applied to the 20CY estimate of \$117,000 to arrive at an increase of \$4,563.	5	
<u>Rental Payments to GSA</u> GSA rates are projected to increase 2.9% in 20BY. This percentage was applied to the 20CY estimate of \$1,618,000 to arrive at an increase of \$46,922.	47	
<u>Postage</u> Effective February 20PY, the Postal Service implemented a rate increase of 16%. This percentage was applied to the 20CY estimate of \$85,000 to arrive at an increase of \$13,600.	14	
<u>GPO Printing</u> GPO has provided an estimated rate increase of 1.5%. This percentage was applied to the 20CY estimate of \$108,000 to arrive at an increase of \$1,620.	2	

	FTE	Amount
<u>General Pricing Level Adjustment</u>		85
<p>This request applies OMB economic assumptions for FY 20BY to object classes where the prices the government pays are established through the market system. Factors are applied to transportation of things, (\$0), rental payments to others (\$0), communications, utilities and miscellaneous charges (excluding postage) (\$1,314); other contractual services (\$77,184); supplies and materials (\$1,476) and equipment (\$4,914).</p>		
Subtotal, Other Changes	1	509
Total, Adjustments to Base	0	(48)

* Italicized are shown for illustrative purposes and are not included in the handbook exhibit totals.

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: Program Management
Subactivity: Program Management

Line Item		20PY		20CY		20BY		20BY		Increase/ (Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Advocacy, Research & Information	Pos./BA	82	10,902	82	12,052	82	11,983	82	16,483	0	4,500
	FTE/Obl	74	11,170	74	12,552	74	12,733	74	17,233	0	4,500
Total	Pos./BA	82	10,902	82	12,052	82	11,983	82	16,483	0	4,500
	FTE/Obl	74	11,170	74	12,552	74	12,733	74	17,233	0	4,500

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
 (Dollar amounts in thousands)

Activity: Business Development
 Subactivity: Business Development

Line Item		20PY		20CY		20BY		20BY		Increase/ (Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Advocacy, Research & Information	Pos./BA	51	16,352	51	16,829	51	16,850	83	34,553	32	17,703
	FTE/Obl	46	16,755	46	17,329	46	17,600	70	35,303	24	17,703
Total	Pos./BA	51	16,352	51	16,829	51	16,850	83	34,553	32	17,703
	FTE/Obl	46	16,755	46	17,329	46	17,600	70	35,303	24	17,703

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: Business Development
Subactivity: Business Development

Goal Statement

The goal of Policy Formulation and Direction is.....

Base Program

Statement of Operating Objectives

Explanation and Justification

Proposed Legislation (if applicable)

- Description of new legislation
- Justification of new legislation
- Requirements for extension of existing legislation
- Legislative proposals for lapse or repeal of existing legislation

Measures of Performance

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
INCREASES FOR 20BY*
(Dollar amounts in thousands)

	20BY Base		20BY Estimate		Increase (Decrease)		
	Personnel	Amount	Personnel	Amount	Personnel	Amount	
Demonstration Projects	Pos./BA	0	0	0	10,300	0	10,300
	FTE/Obl.	0	0	0	10,300	0	10,300

Using Demonstration projects (0 FTE, +\$10,300) -- This request will.....
by providing....

	20BY	20BY+1	20BY+2	20BY+3	20BY+4
Performance Measures:					
Number of demonstration projects	20	25	30	35	40
Number of briefings	12	14	16	18	20
Cost and Benefits:					
Direct Obligations:					
Uncapitalized	10,300	10,350	10,400	10,450	10,500
Budget Authority	10,300	10,350	10,400	10,450	10,500
Outlays	5,150	5,175	5,200	5,225	5,250
FTE	0	0	0	0	0
Benefits, in dollars	15,300	15,350	15,400	15,450	15,500

* Heading should read "Increase(s)," "Decrease(s)," or "Change(s)," as appropriate.

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
INCREASES FOR 20BY*
(Dollar amounts in thousands)

		20BY Base		20BY Estimate		Increase (Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
New Regional & District Centers	Pos./BA	49	15,074	81	19,227	32	4,153
	FTE/Obl.	44	15,824	68	19,977	24	4,153

Expanding regional and district centers (24 FTE, +\$4,153) -- This request will.....
by providing....

	20BY	20BY+1	20BY+2	20BY+3	20BY+4
Performance Measures:					
Number of networking conferences	35	40	45	50	55
Number of minority business counseled	350	400	450	500	550
Cost and Benefits:					
Direct Obligations:					
Uncapitalized	4,153	4,653	5,153	5,653	6,153
Budget Authority	4,153	4,653	5,153	5,653	6,153
Outlays	2,077	2,327	2,577	2,827	3,077
FTE	24	26	28	30	32
Benefits, in dollars	4,203	4,703	5,203	5,703	6,203

* Heading should read "Increase(s)," "Decrease(s)," or "Change(s)," as appropriate.

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
INCREASES FOR 20BY*
(Dollar amounts in thousands)

		20BY Base		20BY Estimate		Increase (Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Minority Business Opportunity	Pos./BA	2	1,776	2	3,526	0	1,750
Committees	FTE/Obl.	2	1,776	2	3,526	0	1,750

Increasing the network of Minority Business Opportunity Committees (0 FTE, +\$1,750) -- This request will.....
by providing....

	20BY	20BY+1	20BY+2	20BY+3	20BY+4
Performance Measures:					
Dollar value of contracts	300,000	302,000	304,000	306,000	308,000
Number of educational & training seminars	28	30	32	34	36
Cost and Benefits:					
Direct Obligations:					
Uncapitalized	1,750	1,800	1,850	1,900	1,950
Budget Authority	1,750	1,800	1,850	1,900	1,950
Outlays	875	900	925	950	975
FTE	0	0	0	0	0
Benefits, in dollars	4,203	4,253	4,303	4,353	4,403

* Heading should read "Increase(s)," "Decrease(s)," or "Change(s)," as appropriate.

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
INCREASES FOR 20BY*
(Dollar amounts in thousands)

		20BY Base		20BY Estimate		Increase (Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Southern Growth Strategies	Pos./BA	0	0	0	1,500	0	1,500
	FTE/Obl.	0	0	0	1,500	0	1,500

To fund projects in the promotion of southern growth strategies (0 FTE, +\$1,500) -- This request will.....
by providing....

	20BY	20BY+1	20BY+2	20BY+3	20BY+4
Performance Measures:					
Dollar value of contracts	20,000	22,000	24,000	26,000	28,000
Number of businesses assisted	650	655	660	665	670
Cost and Benefits:					
Direct Obligations:					
Uncapitalized	1,500	1,600	1,700	1,800	1,900
Budget Authority	1,500	1,600	1,700	1,800	1,900
Outlays	750	800	850	900	950
FTE	0	0	0	0	0
Benefits, in dollars	3,000	3,100	3,200	3,300	3,400

* Heading should read "Increase(s)," "Decrease(s)," or "Change(s)," as appropriate.

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
INCREASES FOR 20BY*
(Dollar amounts in thousands)

		20BY Base		20BY Estimate		Increase (Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Research & Innovation	Pos./BA	41	5,242	41	8,242	0	3,000
	FTE/Obl.	37	5,617	37	8,617	0	3,000

To fund research and innovation strategies (0 FTE, +\$3,000) -- This request will.....
by providing....

Performance Measures:	20BY	20BY+1	20BY+2	20BY+3	20BY+4
Number of research studies	6	12	18	24	30
Number of dissertation fellowship	7	14	21	28	35
Cost and Benefits:					
Direct Obligations:					
Uncapitalized	3,000	6,000	9,000	12,000	15,000
Budget Authority	3,000	6,000	9,000	12,000	15,000
Outlays	1,500	3,000	4,500	6,000	7,500
FTE	0	0	0	0	0
Benefits, in dollars	3,500	6,500	9,500	12,500	15,500

* Heading should read "Increase(s)," "Decrease(s)," or "Change(s)," as appropriate.

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
INCREASES FOR 20BY*
(Dollar amounts in thousands)

		20BY Base		20BY Estimate		Increase (Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Education, Outreach & Leadership	Pos./BA	41	6,741	41	8,241	0	1,500
	FTE/Obl.	37	7,116	37	8,616	0	1,500

To fund public relations activities (0 FTE, +\$1,500) -- This request will.....
by providing....

	20BY	20BY+1	20BY+2	20BY+3	20BY+4
Performance Measures:					
Number of exhibits	33	66	99	132	165
Number of briefings	20	40	60	80	100
Cost and Benefits:					
Direct Obligations:					
Uncapitalized	1,500	2,000	2,500	3,000	3,500
Budget Authority	1,500	2,000	2,500	3,000	3,500
Outlays	750	1,000	1,250	1,500	1,750
FTE	0	0	0	0	0
Benefits, in dollars	3,000	4,000	5,000	6,000	7,000

* Heading should read "Increase(s)," "Decrease(s)," or "Change(s)," as appropriate.

**Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
PROGRAM CHANGE PERSONNEL DETAIL**

Activity: Business Development
Subactivity: Business Development
Program Change: New Regional & District Centers

<u>Title</u>	Grade	Number	Annual Salary	Total Salaries
Regional Director	15	2	87,864	175,728
Chief, Business Development Specialist	14	2	74,697	149,394
Business Development Specialist	12	16	53,156	850,496
Administrative Technician	7	2	29,966	59,932
Secretary	5	2	24,192	48,384
Office Automation Clerk	5	8	24,192	193,536
Total		<u>32</u>		<u>1,477,470</u>
Less lapse		(8)		(369,368)
Total full-time permanent (FTE)		24		1,108,102
20BY Pay Adjustment (3.9%)				<u>43,216</u>
Total				<u>1,151,318</u>

Personnel Data

Full-time Equivalent Employment				
Full-time permanent		24		
Other than full-time permanent		<u>0</u>		
Total		24		
Authorized Positions:				
Full-time permanent		32		
Other than full-time permanent		<u>0</u>		
Total		32		

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
PROGRAM CHANGE DETAIL BY OBJECT CLASS
 (Direct Obligations amounts in thousands)

Activity: Business Development
 Subactivity: Business Development

Object Class	20BY Increase/ (Decrease)
11.1 Full-time permanent (Compensation)	
11.3 Other than full-time permanent	
11.5 Other personnel compensation	
11.8 Special personnel services payments	
11.9 Total personnel compensation	0
12.1 Civilian personnel benefits	
13 Benefits for former personnel	
21 Travel and transportation of persons	
22 Transportation of things	
23 Rent, communications, and utilities	
23.1 Rental payments to GSA	
23.2 Rental payments to others	
23.3 Commun., util., and misc. charges	
24 Printing and reproduction	
25 Consulting and other services	
25.1 Consulting services	
25.2 Other services	10,300
25.3 Purchase of goods and services from Gov't accounts	
25.4 Operation of GOCOs	
25.5 Research and development contracts	
25.6 Medical care	
25.7 Operation and maintenance of equipment	
25.8 Subsistence and support of persons	
26 Supplies and materials	
31 Equipment	
32 Lands and structures	
33 Investments and loans	
41 Grants, subsidies and contributions	
42 Insurance claims and indemnities	
43 Interest and dividends	
44 Refunds	
99.9 Total obligations	10,300

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
PROGRAM CHANGE DETAIL BY OBJECT CLASS
 (Direct Obligations amounts in thousands)

Activity: Business Development
 Subactivity: Business Development

Object Class	20BY Increase/ (Decrease)
11.1 Full-time permanent (Compensation)	1,151
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.8 Special personnel services payments	
11.9 Total personnel compensation	1,151
12.1 Civilian personnel benefits	196
13 Benefits for former personnel	0
21 Travel and transportation of persons	450
22 Transportation of things	0
23 Rent, communications, and utilities	466
23.1 Rental payments to GSA	0
23.2 Rental payments to others	0
23.3 Commun., util., and misc. charges	60
24 Printing and reproduction	15
25 Consulting and other services	0
25.1 Consulting services	1,552
25.2 Other services	20
25.3 Purchase of goods and services from Gov't accounts	0
25.4 Operation of GOCOs	
25.5 Research and development contracts	
25.6 Medical care	
25.7 Operation and maintenance of equipment	30
25.8 Subsistence and support of persons	
26 Supplies and materials	63
31 Equipment	150
32 Lands and structures	
33 Investments and loans	
41 Grants, subsidies and contributions	
42 Insurance claims and indemnities	
43 Interest and dividends	
44 Refunds	
99.9 Total obligations	4,153

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
PROGRAM CHANGE DETAIL BY OBJECT CLASS
 (Direct Obligations amounts in thousands)

Activity: Business Development
 Subactivity: Business Development

Object Class	20BY Increase/ (Decrease)
11.1 Full-time permanent (Compensation)	
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.8 Special personnel services payments	
11.9 Total personnel compensation	0
12.1 Civilian personnel benefits	
13 Benefits for former personnel	0
21 Travel and transportation of persons	
22 Transportation of things	0
23 Rent, communications, and utilities	
23.1 Rental payments to GSA	0
23.2 Rental payments to others	0
23.3 Commun., util., and misc. charges	
24 Printing and reproduction	
25 Consulting and other services	0
25.1 Consulting services	
25.2 Other services	
25.3 Purchase of goods and services from Gov't accounts	0
25.4 Operation of GOCOs	
25.5 Research and development contracts	
25.6 Medical care	
25.7 Operation and maintenance of equipment	
25.8 Subsistence and support of persons	
26 Supplies and materials	
31 Equipment	
32 Lands and structures	
33 Investments and loans	
41 Grants, subsidies and contributions	1,750
42 Insurance claims and indemnities	
43 Interest and dividends	
44 Refunds	
99.9 Total obligations	1,750

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
PROGRAM CHANGE DETAIL BY OBJECT CLASS
 (Direct Obligations amounts in thousands)

Activity: Business Development
 Subactivity: Business Development

Object Class	20BY Increase/ (Decrease)
11.1 Full-time permanent (Compensation)	
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.8 Special personnel services payments	
11.9 Total personnel compensation	0
12.1 Civilian personnel benefits	
13 Benefits for former personnel	0
21 Travel and transportation of persons	
22 Transportation of things	0
23 Rent, communications, and utilities	
23.1 Rental payments to GSA	0
23.2 Rental payments to others	0
23.3 Commun., util., and misc. charges	
24 Printing and reproduction	
25 Consulting and other services	0
25.1 Consulting services	
25.2 Other services	1,500
25.3 Purchase of goods and services from Gov't accounts	0
25.4 Operation of GOCOs	
25.5 Research and development contracts	
25.6 Medical care	
25.7 Operation and maintenance of equipment	
25.8 Subsistence and support of persons	
26 Supplies and materials	
31 Equipment	
32 Lands and structures	
33 Investments and loans	
41 Grants, subsidies and contributions	
42 Insurance claims and indemnities	
43 Interest and dividends	
44 Refunds	
99.9 Total obligations	1,500

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
PROGRAM CHANGE DETAIL BY OBJECT CLASS
 (Direct Obligations amounts in thousands)

Activity: Program Management
 Subactivity: Program Management

Object Class	20BY Increase/ (Decrease)
11.1 Full-time permanent (Compensation)	
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.8 Special personnel services payments	
11.9 Total personnel compensation	0
12.1 Civilian personnel benefits	
13 Benefits for former personnel	0
21 Travel and transportation of persons	
22 Transportation of things	0
23 Rent, communications, and utilities	
23.1 Rental payments to GSA	0
23.2 Rental payments to others	0
23.3 Commun., util., and misc. charges	10
24 Printing and reproduction	100
25 Consulting and other services	0
25.1 Consulting services	
25.2 Other services	1,390
25.3 Purchase of goods and services from Gov't accounts	1,500
25.4 Operation of GOCOs	
25.5 Research and development contracts	
25.6 Medical care	
25.7 Operation and maintenance of equipment	
25.8 Subsistence and support of persons	
26 Supplies and materials	
31 Equipment	
32 Lands and structures	
33 Investments and loans	
41 Grants, subsidies and contributions	
42 Insurance claims and indemnities	
43 Interest and dividends	
44 Refunds	
99.9 Total obligations	3,000

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
PROGRAM CHANGE DETAIL BY OBJECT CLASS
 (Direct Obligations amounts in thousands)

Activity: Program Management
 Subactivity: Program Management

Object Class	20BY Increase/ (Decrease)
11.1 Full-time permanent (Compensation)	
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.8 Special personnel services payments	
11.9 Total personnel compensation	0
12.1 Civilian personnel benefits	
13 Benefits for former personnel	0
21 Travel and transportation of persons	250
22 Transportation of things	20
23 Rent, communications, and utilities	
23.1 Rental payments to GSA	0
23.2 Rental payments to others	0
23.3 Commun., util., and misc. charges	30
24 Printing and reproduction	150
25 Consulting and other services	0
25.1 Consulting services	
25.2 Other services	1,050
25.3 Purchase of goods and services from Gov't accounts	
25.4 Operation of GOCOs	
25.5 Research and development contracts	
25.6 Medical care	
25.7 Operation and maintenance of equipment	
25.8 Subsistence and support of persons	
26 Supplies and materials	
31 Equipment	
32 Lands and structures	
33 Investments and loans	
41 Grants, subsidies and contributions	
42 Insurance claims and indemnities	
43 Interest and dividends	
44 Refunds	
99.9 Total obligations	1,500

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Object Class	20PY Actual	20CY Currently Available	20BY Base	20BY Estimate	Increase/ (Decrease) over 20BY Base
11.1 Full-time permanent (Compensation)	6,335	6,708	7,032	8,183	1,151
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	45	45	47	47	0
11.8 Special personnel services payments					0
11.9 Total personnel compensation	6,380	6,753	7,079	8,230	1,151
12.1 Civilian personnel benefits	1,228	1,232	1,222	1,418	196
13 Benefits for former personnel					0
21 Travel and transportation of persons	306	306	308	1,008	700
22 Transportation of things	13	13	13	33	20
23 Rent, communications and utilities					
23.1 Rental payments to GSA	1,618	1,618	1,665	2,131	466
23.2 Rental payments to others	13	13	13	13	0
23.3 Commun., util., and misc. charges	219	219	221	321	100
24 Printing and reproduction	108	108	110	375	265
25 Consulting and other services					0
25.1 Consulting services	150	150	150	150	0
25.2 Other services	4,112	4,141	4,218	20,010	15,792
25.3 Purchase of goods and services from Gov't accounts	1,343	1,343	1,343	2,863	1,520
25.4 Operation of GOCOs					0
25.5 Research and development contracts					0
25.6 Medical care					0
25.7 Operation & maintenance of equipment	111	111	111	141	30
25.8 Subsistence and support of persons	51	51	51	51	0
26 Supplies and materials	82	82	83	146	63
31 Equipment	223	273	278	428	150
32 Lands and structures					0

Object Class	20PY	20CY	20BY	20BY	Increase/
	Actual	Currently Available	Base	Estimate	(Decrease) over 20BY Base
33 Investments and loans					0
41 Grants, subsidies and contributions	11,968	13,468	13,468	15,218	1,750
42 Insurance claims and indemnities					0
43 Interest and dividends					0
44 Refunds					0
99.9 Total Obligations	27,925	29,881	30,333	52,536	22,203
Less prior year recoveries		(1,000)	(1,500)	(1,500)	
Less prior year unobligated balance	(671)	0	0	0	
Total Budget Authority	27,254	28,881	28,833	51,036	22,203
Personnel Data					
Full-Time equivalent Employment:					
Full-time permanent	119	119	119	143	24
Other than full-time permanent	1	1	1	1	0
Total	120	120	120	144	24
Authorized Positions:					
Full-time permanent	129	129	129	161	32
Other than full-time permanent	4	4	4	4	0
Total	133	133	133	165	32

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
DETAILED REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

Object Class	20BY Adjustment to Base	20BY Base	20BY Estimate	Increase/ (Decrease) over BY Base
11 Personnel compensation				
11.1 Full-time permanent				
Executive level				
Senior executive service	23	544	544	0
General schedule	301	6,488	7,639	1,151
Commissioned officers		0		0
Wage board/wage marine		0		0
Scientific & professional (P.L. 80-313)		0		0
Examiners of patent appeals (P.L. 82-593, 98-622)		0		0
Examiners of trademark appeals (P.L. 98-622)		0		0
Senior foreign service		0		0
Foreign service staff				0
Foreign service nationals		0		0
Consultants & experts		0		0
Students		0		0
[Law enforcement]	0	0	0	
Subtotal	324	7,032	8,183	1,151
11.3 Other than full-time permanent				
General schedule	0	0	0	0
Wage borad		0		0
Experts & consultants		0		0
Hourly				0
Subtotal	0	0	0	0

Object Class	20BY Adjustment to Base	20BY Base	20BY Estimate	Increase/ (Decrease) over BY Base
11.5 Other personnel compensation				
Overtime	2	27	27	0
SES performance awards		0	0	0
Cash awards		0	0	0
Merit pay awards		0	0	0
Other		20	20	0
Subtotal	2	47	47	0
11.8 Special personnel services payments				
Foreign service officers (State)				
Other				0
Subtotal	0	0	0	0
11.9 Total personnel compensation	326	7,079	8,230	1,151
12.1 Civilian personnel benefits				
Civil service retirement	(62)	261	261	0
Federal employees' retirement	6	251	256	5
Thrift savings plan	1	36	61	25
Federal Insurance Contribution Act	6	173	297	124
Health insurance	39	405	445	40
Life insurance	0	8	10	2
Employees' Compensation Fund	0	88	88	0
Other				0
Subtotal	(10)	1,222	1,418	196

Object Class		20BY Adjustment to Base	20BY Base	20BY Estimate	Increase/ (Decrease) over BY Base
13	Benefits for former personnel				0
	Severance pay				0
	Unemployment compensation				0
	Other				0
	Subtotal	0	0	0	0
21	Travel and transportation of persons				
	Common carrier		155	540	385
	Mileage	2	33	83	50
	Per diem/actual	0	110	375	265
	Vehicular		10	10	0
	Other		0	0	0
	[Overseas estimates]				0
	Subtotal	2	308	1,008	700
22	Transportation of things		13	33	20
	[Overseas estimates]				0
23	Rent, communications and utilities				
23.1	Rental payments to GSA	47	1,665	2,131	466
23.2	Rental payments to others		13	13	0

Object Class		20BY Adjustment to Base	20BY Base	20BY Estimate	Increase/ (Decrease) over BY Base
23.3	Commun., util., and misc. charges				0
	Rental of ADP equipment		0	0	0
	Rental of office copying equipment		0	0	0
	Other equipment rental	1	8	8	0
	Federal telecommunications system	1	80	125	45
	Other telecommunications services		66	76	10
	Postal Service by USPS	0	67	112	45
	Other		0	0	0
	[Overseas estimates]				0
	Subtotal	2	221	321	100
24	Printing and reproduction				
	Publications		34	249	215
	Public use forms	0	6	8	2
	Envelopes		2	5	3
	Other	2	68	113	45
	[Payments to GA, WCF]	[88]	[88]		0
	[Overseas estimates]				0
	Subtotal	2	110	375	265
25	Consulting and other services				

Object Class		20BY Adjustment to Base	20BY Base	20BY Estimate	Increase/ (Decrease) over BY Base
25.1	Consulting services				
	Management & professional support services		150	150	
	Studies, analyses, & evaluation				
	Engineering & technical services				
	[Overseas estimates]				0
	Subtotal	0	150	150	0
25.2	Other services				
	Training:				
	University		9	9	0
	Other	1	68	68	0
	Maintenance of equipment	0	0	0	0
	ADP services	2	65	65	0
	Telecommunications services	3	37	37	0
	Other non-government contracts	69	1,087	16,879	15,792
	Other	2	2,845	2,845	0
	CAMS (bureau specific)		70	70	
	CAMS (bureau shared)		37	37	
	[Overseas estimates]				0
	Subtotal	77	4,218	20,010	15,792
25.3	Purchases of goods and services from Gov't accounts	0			
	Office of Personnel Management Training		4	5	1
	GSA reimbursable services		5	5	0
	Payments to GA, WCF		1,334	2,853	1,519
	Subtotal		1,343	2,863	1,520

Object Class		20BY Adjustment to Base	20BY Base	20BY Estimate	Increase/ (Decrease) over BY Base
25.4	Operation of GOCOs				0
					0
25.5	Research and development contracts				0
					0
25.6	Medical care				0
					0
25.7	Operation and maintenance of equipment		111	141	30
					0
25.8	Subsistence and support of persons		51	51	0
					0
26	Supplies and materials				
	Office supplies	0	61	86	25
	ADP supplies	1	22	60	38
	Other		0	0	0
	[Overseas estimates]				0
	Subtotal	1	83	146	63

Object Class	20BY Adjustment to Base	20BY Base	20BY Estimate	Increase/ (Decrease) over BY Base
31 Equipment	3	12	37	25
Office machines and equipment	0	243	343	100
ADP hardware	2	23	48	25
ADP software		0	0	0
Other		0	0	0
[Overseas estimates]				0
Subtotal	5	278	428	150
32 Lands and structures				0
33 Investments and loans				0
41 Grants, subsidies and contributions		13,468	15,218	1,750
42 Insurance claims and indemnities				0
43 Interest and dividends				0
44 Refunds				0
99 Total Obligations	452	30,333	52,536	22,203
Less prior year recoveries		(1,500)	(1,500)	
Total Budget Authority	452	28,833	51,036	22,203

Department of Commerce
Operating Unit of Commerce
ACTIVITY/SUBACTIVITY CHANGE CROSSWALK
Part 1 - 20CY Structure
(Dollar amounts in thousands)

<u>Activity/Subactivity</u>	<u>20BY Direct Obligations</u>	<u>Proposed Changes</u>
<u>Program Management</u>		
Advocacy, Research & Information	389	Merge into Business Development

Department of Commerce
Operating Unit of Commerce
ACTIVITY/SUBACTIVITY CHANGE CROSSWALK
Part 2 - 20BY Structure
 (Dollar amounts in thousands)

Activity/Subactivity	20PY-2	20PY-1	20PY	20CY	20BY
Program Management					
Advocacy, Research & Information	1,100	1,150	1,213	1,323	1,389
Subtotal, Program Management	1,100	1,150	1,213	1,323	1,389
Business Development	15,724	17,500	19,757	22,831	24,719
Total Direct Obligations	16,824	18,650	20,970	24,154	26,108

DEPARTMENT OF COMMERCE
Operating Unit of Commerce

Salaries and Expenses

APPROPRIATION SUMMARY STATEMENT

This exhibit is used whenever there is more than one appropriation within an operating unit. In cases where an entire operating unit is covered under a single appropriation, the information included in this exhibit is included in the General Statement.

DEPARTMENT OF COMMERCE
Operating Unit of Commerce

Salaries and Expenses

JUSTIFICATION OF PROPOSED LANGUAGE CHANGES

1. After the word Pribilof Island Fund:" delete the words "and, in addition" through "pertaining to American fisheries".

This change deletes the authority to

Each change in the appropriation language is sequentially numbered. Make sure that quotation marks are used properly and that all punctuation marks to be deleted or added are included within quotation marks. A brief paragraph describing the rationale for the proposed language change follows.

Each appropriation which includes any proposed language changes(s) is included on a separate exhibit. Separate exhibits are provided for each appropriation with a proposed language change.

DEPARTMENT OF COMMERCE
Operating Unit of Commerce

Salaries and Expenses

APPROPRIATION LANGUAGE AND CODE CITATIONS

Each piece of the existing appropriation language is quoted and is followed by all applicable code citations.

DEPARTMENT OF COMMERCE
Operating Unit of Commerce

Salaries and Expenses

CONSULTING AND RELATED SERVICES
(Obligations in thousands)

	<u>20PY</u> <u>Actual</u>	<u>20CY</u> <u>Estimate</u>	<u>20BY</u> <u>Estimate</u>
Consulting Services.....			
Management and professional services.....			
Special studies and analyses.....			
Management and Support services for research and development.....			
Total.....			

Begin with a brief paragraph summarizing the operating units requirements for consulting and related services.

Follow the opening paragraph with brief summary statements of each of the types of services identified above which have actual or estimated obligations for any of the years 20-PY-20-BY.

DEPARTMENT OF COMMERCE
 Operating Unit of Commerce

Salaries and Expenses

CONSULTING AND RELATED SERVICES
 (Obligations in thousands)

	<u>20PY</u> <u>Actual</u>	<u>20CY</u> <u>Estimate</u>	<u>20BY</u> <u>Estimate</u>
Periodicals.....			
Pamphlets.....			
Audiovisuals.....			
Total.....			

Begin with a brief paragraph summarizing the operating units requirements for periodicals, pamphlets and audiovisual products.

Follow the opening paragraph with brief summary statements of each of the types of material identified above which have actual or estimated obligations for any of the years 20-PY - 20-BY.

DEPARTMENT OF COMMERCE
 Operating Unit of Commerce

Salaries and Expenses

AVERAGE GRADE AND SALARIES

	<u>20PY</u> <u>Actual</u>	<u>20CY</u> <u>Estimate</u>	<u>20BY</u> <u>Estimate</u>
Direct:			
Average ES Grade.....			
Average GS/GM Grade.....			
Average GS/GM Salary.....			
Total.....			

If applicable, include data for Senior Foreign Service, Foreign Service, NOAA corps, etc.; any ES/GM/GS types of positions which are used by the operating unit.

APPENDIX A

VOLUME III CHAPTER 5

BACKUP EXHIBITS

Assumptions shown in the exhibits are for illustrative purposes only.

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
SUMMARY OF REIMBURSABLE OBLIGATIONS
 (Dollar amounts in thousands)

Comparison by activity:	20PY		20CY		20BY		20BY		Increase/ (Decrease)	
	Actual		Currently Available		Base		Estimate			
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Business Development	0	475	0	475	0	475	0	475	0	0
Total	0	475	0	475	0	475	0	475	0	0

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
PROGRAM AND PERFORMANCE: REIMBURSABLE OBLIGATIONS
(Dollar amounts in thousands)

Activity: Business Development
Subactivity: Business Development

Line Item		20PY	20CY	20BY	20BY	Increase/
		Actual	Currently Available	Base	Estimate	(Decrease)
		FTE Amount	FTE Amount	FTE Amount	FTE Amount	FTE Amount
Business Development	Pos./BA FTE/Obl	475	475	475	475	
Total	Pos./BA FTE/Obl	475	475	475	475	

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
SUMMARY OF OUTYEAR CHANGES REQUESTED
 (Dollar amounts in thousands)

Activity/Subactivity	20BY Amount	20BY+1 Amount	20BY+2 Amount	20BY+3 Amount	20BY+4 Amount
20BY Base Program	28,833	28,833	29,410	29,998	30,598
GDP		2%	2%	2%	2%
Adjusted Base	28,833	29,410	29,998	30,598	31,210
Program Change (List by Program Change)					
Business Development	17,703	20,336	21,102	21,708	21,708
Program Management	4,500	8,095	8,095	8,282	9,100
Outyear Estimates	51,036	57,841	59,195	60,588	62,018

Department of Commerce
Operating Unit of Commerce
Salaries and Expenses
OUTYEAR ANALYSIS TABLE
(Dollar amounts in thousands)

	Resources Available for Outlays	20PY	20CY	20BY	20BY + 1	20BY + 2	20BY + 3	20BY + 4	Total
20PY Obligated Balance, SOY	10,164	9,046	1,118						10,164
Unobligated Balance, SOY	671	336	295	40					671
Net Obligations	27,254	13,627	11,992	1,635					27,254
20CY Net Obligations	28,881	*****	14,441	12,708	1,732				28,880
20BY Net Obligations	51,036	*****	*****	25,518	22,456	3,062			51,036
20BY+1 Net Obligations	57,841	*****	*****	*****	28,921	25,450	3,470		57,841
20BY+2 Net Obligations	59,195	*****	*****	*****	*****	29,598	26,046	3,551	59,195
20BY+3 Net Obligations	60,588	*****	*****	*****	*****	*****	30,294	26,659	56,953
20BY+4 Net Obligations	62,018	*****	*****	*****	*****	*****	*****	31,009	31,009
		-----	-----	-----	-----	-----	-----	-----	-----
		23,009	27,846	39,901	53,109	58,110	59,810	61,218	323,003
Spendout Rates:									
20CY Obligated Balance, SOY		89.0%	11.0%						
Unobligated Balance, SOY		50.0%	44.0%	6.0%					
Net Obligations		50.0%	44.0%	6.0%					
20CY % spendout			50.0%	44.0%	6.0%				
20BY % spendout				50.0%	44.0%	6.0%			
20BY+1 % spendout					50.0%	44.0%	6.0%		
20BY+2 % spendout						50.0%	44.0%	6.0%	
20BY+3 % spendout							50.0%	44.0%	
20BY+4 % spendout								50.0%	

Department of Commerce
 Operating Unit of Commerce
 Salaries and Expenses
 SCHEDULE OF PERMANENT POSITIONS

	20PY	20CY	20BY
	Actual	Currently Available	Estimate
Executive level I	1	1	1
Executive level II	0	1	1
Executive level III	0	0	0
Executive level IV	4	4	4
Executive level V	0	0	0
Subtotal	5	6	6
ES-6	4	4	4
ES-5	6	6	6
ES-4	7	7	7
ES-3	3	3	3
ES-2	3	3	3
ES-1	2	2	2
Subtotal	25	25	25
GS-16	0	0	0
GS/GM-15	41	41	41
GS/GM-14	55	54	54
GS/GM-13	50	50	51
GS-12	33	33	35
GS-11	25	25	27
GS-10	3	3	3
GS-9	34	34	36
GS-8	15	15	15
GS-7	33	33	34
GS-6	9	9	9
GS-5	11	11	11
GS-4	11	11	11

	20PY	20CY	20BY
	Actual	Currently Available	Estimate
GS-3	5	5	5
GS-2	0	0	0
GS-1	0	0	0
Subtotal	325	324	332
Ungraded	0	0	0
Total Permanent Positions	355	355	363
Unfilled positions, end of year	0	0	0
Total permanent employment, end of year	355	355	363
Average ES salary	101,742	106,674	111,688
Average GS grade	11	11	11
Average GS salary	42,687	45,308	46,294

Department of Commerce
Operating Unit of Commerce
Salaries and expenses
SUMMARY OF FUNDING AND STAFFING
(Dollar amounts in thousands)

Appropriation/Account

	<u>20PY</u>	<u>20CY</u>	<u>20BY</u>	<u>20BY+1</u>	<u>20BY+2</u>	<u>20BY+3</u>	<u>20BY+4</u>
Salaries and expenses							
Direct obligations	28,595	32,207	34,448	36,161	37,725	39,304	40,752
Reimbursable obligations	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Budget authority	30,815	28,807	33,448	36,161	37,725	39,304	40,752
Appropriation	30,815	28,807	33,448	36,161	37,725	39,304	40,752
Outlays	31,492	31,701	34,134	35,921	37,507	39,082	40,550
Direct Permanent Positions	340	340	350	350			
Reimbursable Permanent Positions	28	28	28	28			
Direct FTE	324	324	330	332			
Reimbursable FTE	36	36	36	36			

THE PRESIDENT'S AND CONGRESSIONAL BUDGET

VOLUME III (CHAPTER 5) - APPENDIX B

WORKSHEETS

Assumptions shown in the worksheets are for illustrative purposes only.

APPENDIX B - WORKSHEETS AND TABLES FOR SUBMISSION TO THE OFFICE OF MANAGEMENT AND BUDGET

Assumptions shown in exhibits are for illustrative purposes only.

TABLE OF CONTENTS

<u>Exhibit Number</u>	<u>Page Number</u>
Worksheet A-1	B - III (5) - 1
Worksheet A-2	B - III (5) - 2
Worksheet A-3	B - III (5) - 3
Worksheet A-4	B - III (5) - 4
Worksheet A-5	B - III (5) - 5
Worksheet A-6	B - III (5) - 6
Worksheet B	B - III (5) - 7
Worksheet C-1	B - III (5) - 8
Worksheet D	B - III (5) - 9
Worksheet E	B - III (5) - 10
Worksheet F	B - III (5) - 11

DEPARTMENT OF COMMERCE
OPERATING UNIT OF COMMERCE
ACCOUNT:
FY 20BY ----- 3.9%
EMPLOYMENT COST INDEX (ECI) PAY RAISE
(dollars in thousands)

SUBJECT TO PAY RAISE:	ASSUMPTIONS				PAY RAISE/BENEFITS			
	REGULAR	FOREIGN SERVICE	LAW ENFORCEMENT	TOTAL	REGULAR	FOREIGN SERVICE	LAW ENFORCEMENT	TOTAL
11.1 Salaries subject to retirement.	6,708	-	-	6,708	262	-	-	262
11.3 Salaries subject to retirement.	-	-	-	-	-	-	-	-
Subtotal.....	6,708	-	-	6,708	262	-	-	262
11.3 Not subject to retirement.....	-	-	-	-	-	-	-	-
Total Salaries.....	6,708	-	-	6,708	262	-	-	262
BENEFITS:								

CSRS Participation Rate.....	61.7%	0.0%	0.0%					
CSRS Contribution Rate.....	7.1%	7.5%	0.0%		12	-	-	12
FERS Participation Rate.....	38.3%	0.0%	0.0%					
FERS Contribution Rate.....	10.7%	24.3%	0.0%		11	-	-	11
TSP Contribution Rate.....	2.0%	2.0%	0.0%		2	-	-	2
FICA Cap Rate (OASDI).....	93.7%	93.7%	93.7%					
OASDI Contribution Rate.....	6.2%	6.2%	6.2%		6	-	-	6
Medicare Contribution Rate.....	1.5%	1.5%	1.5%		4	-	-	4
Life Insurance Percentage.....	0.1%	0.1%	0.0%		-	-	-	-
Total Benefits.....					35	-	-	35
Subtotal, Pay Raise.....					296	-	-	296
Payment to WCF (BRCD will provide #)					1	-	-	1
Total Pay Raise (Full year).....					297	-	-	297
X .75 (Nine Months).....	75.0%	75.0%	75.0%		223	-	-	223
Pay Raise Rate.....	3.9%	3.9%	3.9%					

* Note: Columns may not add due to rounding.

DEPARTMENT OF COMMERCE
OPERATING UNIT OF COMMERCE
ACCOUNT:
FY 20BY+1 ----- 3.9%
EMPLOYMENT COST INDEX (ECI) PAY RAISE
(dollars in thousands)

SUBJECT TO PAY RAISE:	ASSUMPTIONS				PAY RAISE/BENEFITS			
	REGULAR	FOREIGN SERVICE	LAW ENFORCEMENT	TOTAL	REGULAR	FOREIGN SERVICE	LAW ENFORCEMENT	TOTAL
11.1 Salaries subject to retirement.	6,970	-	-	6,970	272	-	-	272
11.3 Salaries subject to retirement.	-	-	-	-	-	-	-	-
Subtotal.....	6,970	-	-	6,970	272	-	-	272
11.3 Not subject to retirement.....	-	-	-	-	-	-	-	-
Total Salaries.....	6,970	-	-	6,970	272	-	-	272
BENEFITS:								
CSRS Contribution Rate.....	61.7%	0.0%	0.0%					
CSRS Contribution Rate.....	7.1%	7.5%	0.0%		12	-	-	12
FERS Participation Rate.....	38.3%	0.0%	0.0%					
FERS Contribution Rate.....	10.7%	24.3%	0.0%		11	-	-	11
TSP Contribution Rate.....	2.0%	2.0%	0.0%		2	-	-	2
FICA Cap Rate (OASDI).....	93.7%	93.7%	93.7%					
OASDI Contribution Rate.....	6.2%	6.2%	6.2%		6	-	-	6
Medicare Contribution Rate.....	1.5%	1.5%	1.5%		4	-	-	4
Life Insurance Percentage.....	0.1%	0.1%	0.0%		-	-	-	-
Total Benefits.....					35	-	-	35
Subtotal, Pay Raise.....					307	-	-	307
Payment to WCF (BRCD will provide #)					1	-	-	1
Total Pay Raise (Full year).....					307	-	-	307
X .75 (Nine Months).....	75.0%	75.0%	75.0%		230	-	-	230
Pay Raise Rate.....	3.9%	3.9%	3.9%					

* Note: Columns may not add due to rounding.

DEPARTMENT OF COMMERCE
OPERATING UNIT OF COMMERCE
ACCOUNT:
FY 20BY+2 ----- 3.9%
EMPLOYMENT COST INDEX (ECI) PAY RAISE
(dollars in thousands)

SUBJECT TO PAY RAISE:	ASSUMPTIONS				PAY RAISE/BENEFITS			
	REGULAR	FOREIGN SERVICE	LAW ENFORCEMENT	TOTAL	REGULAR	FOREIGN SERVICE	LAW ENFORCEMENT	TOTAL
11.1 Salaries subject to retirement.	7,242	-	-	7,242	282	-	-	282
11.3 Salaries subject to retirement.	-	-	-	-	-	-	-	-
Subtotal.....	7,242	-	-	7,242	282	-	-	282
11.3 Not subject to retirement.....	-	-	-	-	-	-	-	-
Total Salaries.....	7,242	-	-	7,242	282	-	-	282
BENEFITS:								

CSRS Participation Rate.....	61.7%	0.0%	0.0%					
CSRS Contribution Rate.....	7.1%	7.5%	0.0%		12	-	-	12
FERS Participation Rate.....	38.3%	0.0%	0.0%					
FERS Contribution Rate.....	10.7%	24.3%	0.0%		12	-	-	12
TSP Contribution Rate.....	2.0%	2.0%	0.0%		2	-	-	2
FICA Cap Rate (OASDI).....	93.7%	93.7%	93.7%					
OASDI Contribution Rate.....	6.2%	6.2%	6.2%		6	-	-	6
Medicare Contribution Rate.....	1.5%	1.5%	1.5%		4	-	-	4
Life Insurance Percentage.....	0.1%	0.1%	0.0%		-	-	-	-
Total Benefits.....					36	-	-	36
Subtotal, Pay Raise.....					318	-	-	318
Payment to WCF (BRCD will provide #)					1	-	-	1
Total Pay Raise (Full year).....					319	-	-	319
X .75 (Nine Months).....	75.0%	75.0%	75.0%		239	-	-	239
Pay Raise Rate.....	3.9%	3.9%	3.9%					

* Note: Columns may not add due to rounding.

DEPARTMENT OF COMMERCE
OPERATING UNIT OF COMMERCE
ACCOUNT:
FY 20BY+3 ----- 3.9%
EMPLOYMENT COST INDEX (ECI) PAY RAISE
(dollars in thousands)

SUBJECT TO PAY RAISE:	ASSUMPTIONS				PAY RAISE/BENEFITS			
	REGULAR	FOREIGN SERVICE	LAW ENFORCEMENT	TOTAL	REGULAR	FOREIGN SERVICE	LAW ENFORCEMENT	TOTAL
11.1 Salaries subject to retirement.	7,524	-	-	7,524	293	-	-	293
11.3 Salaries subject to retirement.	-	-	-	-	-	-	-	-
Subtotal.....	7,524	-	-	7,524	293	-	-	293
11.3 Not subject to retirement.....	-	-	-	-	-	-	-	-
Total Salaries.....	7524	0	0	7524	293	0	0	293
BENEFITS:								

CSRS Participation Rate.....	61.7%	0.0%	0.0%					
CSRS Contribution Rate.....	7.1%	7.5%	0.0%		13	-	-	13
FERS Participation Rate.....	38.3%	0.0%	0.0%					
FERS Contribution Rate.....	10.7%	24.3%	0.0%		12	-	-	12
TSP Contribution Rate.....	2.0%	2.0%	0.0%		2	-	-	2
FICA Cap Rate (OASDI).....	93.7%	93.7%	93.7%					
OASDI Contribution Rate.....	6.2%	6.2%	6.2%		7	-	-	7
Medicare Contribution Rate.....	1.5%	1.5%	1.5%		4	-	-	4
Life Insurance Percentage.....	0.1%	0.1%	0.0%		-	-	-	-
Total Benefits.....					38	-	-	38
Subtotal, Pay Raise.....					331	-	-	331
Payment to WCF (BRCD will provide #)					1	-	-	1
Total Pay Raise (Full year).....					331	-	-	331
X .75 (Nine Months).....	75.0%	75.0%	75.0%		248	-	-	248
Pay Raise Rate.....	0.039	0.039	0.039					

* Note: Columns may not add due to rounding.

DEPARTMENT OF COMMERCE
OPERATING UNIT OF COMMERCE
ACCOUNT:
FY 20BY+4 ----- 3.9%
EMPLOYMENT COST INDEX (ECI) PAY RAISE
(dollars in thousands)

SUBJECT TO PAY RAISE:	ASSUMPTIONS				PAY RAISE/BENEFITS			
	REGULAR	FOREIGN SERVICE	LAW ENFORCEMENT	TOTAL	REGULAR	FOREIGN SERVICE	LAW ENFORCEMENT	TOTAL
11.1 Salaries subject to retirement.	7,817	-	-	7,817	305	-	-	305
11.3 Salaries subject to retirement.	-	-	-	-	-	-	-	-
Subtotal.....	7,817	-	-	7,817	305	-	-	305
11.3 Not subject to retirement.....	-	-	-	-	-	-	-	-
Total Salaries.....	7817	0	0	7817	305	0	0	305
BENEFITS:								

CSRS Participation Rate.....	61.7%	0.0%	0.0%					
CSRS Contribution Rate.....	7.1%	7.5%	0.0%		13	-	-	13
FERS Participation Rate.....	38.3%	0.0%	0.0%					
FERS Contribution Rate.....	10.7%	24.3%	0.0%		12	-	-	12
TSP Contribution Rate.....	2.0%	2.0%	0.0%		2	-	-	2
FICA Cap Rate (OASDI).....	93.7%	93.7%	93.7%					
OASDI Contribution Rate.....	6.2%	6.2%	6.2%		7	-	-	7
Medicare Contribution Rate.....	1.5%	1.5%	1.5%		4	-	-	4
Life Insurance Percentage.....	0.1%	0.1%	0.0%		-	-	-	-
Total Benefits.....					38	-	-	38
Subtotal, Pay Raise.....					343	-	-	343
Payment to WCF (BRCD will provide #)					1	-	-	1
Total Pay Raise (Full year).....					343	-	-	343
X .75 (Nine Months).....	0.75	0.75	0.75		257	-	-	257
Pay Raise Rate.....	0.039	0.039	0.039					

* Note: Columns may not add due to rounding.

DEPARTMENT OF COMMERCE
OPERATING UNIT OF COMMERCE
ACCOUNT:
Calculation of Pay Raise for FY 2003 and Outyears

Pay Related	20BY	20BY+1	20BY+2	20BY+3	20BY+4
20BY Pay Raise	223	296	296	296	296
20BY+1 Pay Raise		230	307	307	307
20BY+2 Pay Raise			239	318	318
20BY+3 Pay Raise				248	331
20BY+4 Pay Raise					257
Total	223	526	842	1169	1509
Working Capital Fund	20BY	20BY+1	20BY+2	20BY+3	20BY+4
20BY Pay Raise	1	1	1	1	1
20BY+1 Pay Raise		1	1	1	1
20BY+2 Pay Raise			1	1	1
20BY+3 Pay Raise				1	1
20BY+4 Pay Raise					1
Total	1	2	3	4	5
Total Pay Raise	20BY	20BY+1	20BY+2	20BY+3	20BY+4
20BY Pay Raise	224	297	297	297	297
20BY+1 Pay Raise		231	308	308	308
20BY+2 Pay Raise			240	319	319
20BY+3 Pay Raise				249	332
20BY+4 Pay Raise					258
Total	224	528	845	1173	1514

* Note: Columns may not add due to rounding.

DEPARTMENT OF COMMERCE
OPERATING UNIT OF COMMERCE
Full-cost in 20BY of positions financed for part year in 20CY

Improvements to advance retail sales estimates, pg.26

	<u>Rates</u>	<u>FTE</u>	<u>Amount</u>
Annual salary of new positions in 20CY budget..		4	218,428
Less lapse.....	5.00%	<u>0</u>	<u>-10,921</u>
Full-year cost of personnel compensation.....		4	207,507
Less personnel compensation included in the 20CY budget.....		<u>-3</u>	<u>-163,821</u>
Subtotal, personnel compensation.....		1	43,686
Adjustment for 20BY pay raise for 3/4 of year..	4.70%	<u>0</u>	<u>1,540</u>
Amount required for personnel compensation.....		1	45,226
20BY personnel benefits:			
FERS.....	10.70%		4,839
Thrift Savings Plan.....	2.00%		905
OSADI.....	6.20%		2,804
Medicare.....	1.45%		656
Health Insurance.....	6.00%		2,714
Life Insurance.....	0.10%		<u>45</u>
Amount required for benefits.....			11,963
Total amount required.....		<u>1</u>	<u>57,189</u>

DEPARTMENT OF COMMERCE
Operating Unit of Commerce
Calculation of Turnover Rate
for FY 20BY

	Line 1: Total Employment	Line 25: Separations
<u>April 1999 - March 2000</u>		
April	100	-
May	101	1
June	102	-
July	103	2
August	102	1
September	101	2
October	104	1
November	104	-
December	103	1
January	106	1
February	105	-
March	105	1
	1,236	10
<u>April 2000- March 2001</u>		
April	104	1
May	105	1
June	103	2
July	102	2
August	102	3
September	98	4
October	100	-
November	99	-
December	97	3
January	93	6
February	94	3
March	92	1
Total	1,189	26
Total 2 years	2,425	36
No. of months	24	24
Average per month	101	2
Annualize separations*		12
		18
Percentage of separations of total employment or turnover rate	17.8%	

* 36/24x12 =18

DEPARTMENT OF COMMERCE
Operating Unit of Commerce
Computation of One Additional Compensable Day in FY 20BY

Object Class Activity	20CY Congressional Budget	
11.1 Full-time permanent	6,708,000	
11.3 Other than full-time permanent	0	
11.5 Overtime*	0	
	<hr/>	
Total, personnel compensation	6,708,000	
Divided by number of days in FY 20CY	261	
	<hr/>	
ATB for personnel compensation		25,701
12.1 CSRS	336,000	
FERS	245,000	
TSP	35,000	
FICA	167,000	
Life insurance	8,000	
Medicare	0	
COLA	0	
	<hr/>	
Total benefits	791,000	
Divided by number of days in FY 20CY	261	
	<hr/>	
		<hr/> 3,031
ATB		28,732

This represents the cost increase of one compensable day. If in a future year, there should be a difference of two compensable day, the above result would be multiplied by two.

DEPARTMENT OF COMMERCE
Operating Unit of Commerce
Calculation of 20BY Health Costs ATB

	Payroll Data Prior to Rate Increase	Payroll Data After Rate Increase	Difference
Annualized health cost	\$259,209	\$301,144	\$41,935
Number of participants	81	85	4
Average cost per participant	\$3,200	\$3,543	\$343
Percentage increase/decrease			10.7%
<hr/>			
20CY Congressional estimate			
Health benefits	\$366,000		
Average rate increase	10.7%		
Health benefits ATB	\$39,162		

Calculation for determining health benefit rate for 20BY

(Use in other budget calculations requiring health estimates, such as annualization or program increases/decreases.)

20CY Congressional request		
11.1 Personnel compensation		\$6,708,000
Health benefit estimate	\$366,000	
20BY Health benefit ATB	<u>39,162</u>	
Total 20BY Health benefits		<u>\$405,162</u>
Health benefit rate for 20BY		6.0%

DEPARTMENT OF COMMERCE
Operating Unit of Commerce
Calculation of 20BY Per Diem ATB

Destination	Travel Days per Year	Before Rate Increase		After Rate Increase		Cost Difference
		Per Diem	Cost	Per Diem	Cost	
California						
Los Angeles	63	114	\$7,182	120	\$7,560	\$378
Colorado						
Denver	57	94	\$5,358	95	\$5,415	\$57
Georgia						
Atlanta	141	106	\$14,946	108	\$15,228	\$282
Illinois						
Chicago	129	117	\$15,093	123	\$15,867	\$774
Massachusetts						
Boston	65	115	\$7,475	121	\$7,865	\$390
New York						
Manhattan	154	141	\$21,714	147	\$22,638	\$924
Total			\$71,768		\$74,573	2,805
						3.9%
20CY Congressional estimate						
Per diem			\$117,000			
Rate increase			3.9%			
Per diem ATB			\$4,563			

VOLUME III – BUDGET FORMULATION

CHAPTER 6 – SUPPLEMENTALS AND AMENDMENTS

TABLE OF CONTENTS

	Page Number
Section 40 General Information	<u>III (6) - 1</u>
Section 41 Legal Requirements	<u>III (6) - 2</u>
Section 42 Definitions	<u>III (6) - 3</u>
Supplementals	<u>III (6) - 3</u>
Amendments	<u>III (6) - 3</u>
Section 43 Policy	<u>III (6) - 4</u>
OMB Policy	<u>III (6) - 4</u>
Departmental Policy	<u>III (6) - 4</u>
Section 44 Materials Required	<u>III (6) - 5</u>
Highlight Memorandum (For Request to Secretary Only)	<u>III (6) - 5</u>
The Supplemental or Amendment Package	<u>III (6) - 5</u>
Section 45 Review Process for Supplementals and Amendments	<u>III (6) - 8</u>
Section 46 Action Taken after Approval of Amendments or Supplementals	<u>III (6) - 9</u>
EXHIBITS	APPENDIX A

SECTION 40 – GENERAL INFORMATION

- A. Guidelines for the preparation of requests for supplementals and amendments to the President's Budget are included in [Section 110 of the A-11](#). The instructions and exhibits included in [OMB Circular A-11](#) should be followed in preparing such requests. The guidance here supplements [OMB Circular A-11](#) and explains the information needed by reviewers in the Department, OMB and the Congress. Instructions for the preparation of substantive amendments to the OMB budget submissions are included in Section 44.

SECTION 41 – LEGAL REQUIREMENTS

- A. 31 U.S.C. 1107 (see Volume II of this *Handbook*) authorizes the President to transmit supplemental requests to the Congress after determining that they are necessary because of laws enacted after the transmission of the Budget or are otherwise in the public interest.

SECTION 42 – DEFINITIONS

A. Supplementals

- 1) Supplementals provide additional funds to amounts already provided in the annual appropriation act. They may also provide additional statutory authorities. These appropriations provide additional funding or authorities when the need for such action is too urgent to be delayed until enactment of the next appropriation.

B. Amendments

- 1) Amendments are proposed funding or language changes that revise the President's Budget request and are transmitted prior to completion of action on the budget request by the Appropriations Committees of both Houses of Congress.

SECTION 43 – POLICY

A. OMB Policy

- 1) [OMB Circular A-11](#) provides general policies on the circumstances which warrant the transmittal of supplemental and amendment requests. Generally, all proposed revisions must conform to Presidential policy. If the potential request is for additional funding, agencies are urged to postpone into the next year any action which would require supplemental appropriations. Proposals that decrease funding requirements should, however, be submitted without delay. [Section 110.1 of the A-11](#) directs that requests for additional amounts will be accompanied by rescission proposals elsewhere in the agency.
- 2) The President's Budget remains the official Administration policy until a revision is forwarded to the Congress. Therefore, agency representatives should not give the impression that the amounts requested by the President are insufficient until such time as a supplemental or amendment request is officially transmitted to the Congress. After such a request is submitted, agency communications with the Congress can and should reflect the need for additional resources as reflected in the revised budget request. (See Volume II of this *Handbook* for guidance on release of budgetary information.)

B. Departmental Policy

- 1) Program managers and heads of operating units should advise the Secretary and the Chief Financial Officer/Assistant Secretary (hereafter, "Assistant Secretary") for Administration at the earliest practicable time of the actual or potential need for a supplemental appropriation or budget amendment. Such needs should be covered in the budget request to the Secretary, the Department's legislative program, comments on proposed legislation and at other times where circumstances warrant. Any request for a supplemental or amendment should include a statement of alternative courses of action which would be considered if the request is denied and the consequences of those actions. A copy of any supplemental or amendment request must be forwarded to the Office of Budget when it is transmitted to the Secretary and Assistant Secretary for Administration.

SECTION 44 – MATERIALS REQUIRED

- A. [Section 110.3 of the A-11](#) lists materials required by OMB for supplemental and amendment requests. In order to simplify the process, the basic content of supplemental and amendment packages are the same for requests to the Secretary, OMB and the Congress.
- B. Operating units preparing a supplemental or amendment proposal when final action on an earlier proposal has not been completed should raise the question to the Office of Budget, who will provide guidance on how to reflect the earlier request in the justification package for the new proposal.
- C. Highlight Memorandum (For Request to Secretary Only)
- 1) A memorandum highlighting the request should be submitted with request to the Secretary and focus on the following:
 - i) the purposes or programs for which the proposal provides;
 - ii) the circumstances which call for the revision (see the [Section 110.1 of the A-11](#));
 - iii) an explanation of any proposed language changes;
 - iv) the effect on FTE employment and permanent positions;
 - v) the time schedule for the beginning of obligations associated with the request and actual obligations for the last three months; and
 - vi) data on how the amount requested was determined and accompanying workload and performance data.
- D. The Supplemental or Amendment Package
- 1) Five copies of the justification package are sent to the Office of Budget.
 - 2) Requests Involving Changes in Amounts and/or Employment
 - i) The materials discussed below are required for all supplemental or amendment requests which include changes in funding amounts and/or employment:
 - (a) Table of Contents - Begins the justification package. It is prepared in the format of Exhibit III5A when the change involves only one appropriation account. If more than one appropriation account is involved, the format will be that shown on Exhibit III5B. The exhibit is labeled "Secretarial Submission" in

the lower right-hand corner. Any later versions of the package will be labeled "OMB Submission" and "Congressional Submission", as appropriate.

(b) Subchapter Summary Statement (Optional) - This exhibit may be included for requests involving more than one appropriation account and should be included only if the interdependence or close relationship between items included in the request requires clarification.

(1) There is no set format for this exhibit.

(c) Appropriation Summary Statement - This exhibit is in two parts. The top of the page shows resources; it is followed by the Statement of Purpose and Need. The statement is as brief and concise as possible (in no case extending beyond one page) and explains the nature of the proposal and the factors which give the proposal its urgent character. The statement may be revised in the submission to the Congress so that it summarizes what is in the President's official transmittal. Exhibits III5C, III5D, and III5E illustrate the formats (column headings and stub entries) to be used at the top of the exhibit for different types of requests; e.g., supplementals for accounts with both funding and employment resources, supplementals for accounts with funding resources only, and amendments.

(d) Language Provisions - Language sheets are prepared according to the formats included in [OMB Circular A-11](#). Exhibit 110A is followed for supplementals, while Exhibit 110B is used for amendments.

(e) *Handbook* Exhibits

(1) The following *Handbook* exhibits are required:

- (i) Summary of Resource Requirements (Exhibit 5);
- (ii) Summary of Financing (Exhibit 7);
- (iii) Program and Performance: Direct Obligations (Exhibit 10);
- (iv) Justification of Program and Performance (Exhibit 12);
- (v) Increase for 20CY or 20BY (Exhibit 13);
- (vi) Supplemental/Amendment Personnel Detail (Exhibit 14);
- (vii) Summary of Requirements by Object Class (Exhibit 16); and

(viii) Detailed Requirements by Object Class (Exhibit 17).

(2) These exhibits are described in Volume IV of this *Handbook* and illustrated in Appendix A. The primary difference is in format, e.g., the column headings differ from the regular requests to the Secretary. In the Summary of Resource Requirements, only the bottom part of Exhibit 5 in Appendix A is included. The column headings for these exhibits (except the Personnel Detail exhibit, which remains unchanged from Appendix A) should be:

(i) Supplementals (\$K)

<u>20CY</u>			<u>20CY</u>			<u>20CY</u>		
<u>Currently Available</u>			<u>Proposed Supplemental</u>			<u>Revised Estimate</u>		
<u>FTE</u>	<u>POS</u>	<u>Amount</u>	<u>FTE</u>	<u>POS</u>	<u>Amount</u>	<u>FTE</u>	<u>POS</u>	<u>Amount</u>

(ii) Amendments (\$K)

<u>20BY</u>			<u>20BY</u>			<u>20BY</u>		
<u>Pending Budget</u>			<u>Proposed Change</u>			<u>Revised Estimate</u>		
<u>FTE</u>	<u>POS</u>	<u>Amount</u>	<u>FTE</u>	<u>POS</u>	<u>Amount</u>	<u>FTE</u>	<u>POS</u>	<u>Amount</u>

1. The position data are included because the Congress reviews requests in terms of authorized permanent positions rather than FTE employment, and the supplemental and amendment process is simplified if exhibits remain the same through all stages of review.

(f) OMB materials – OMB requirements are listed in [Section 110.3 of OMB Circular A-11](#) and the materials will be prepared according to the instructions contained there.

(g) Requests Involving Language Changes Only - In addition to the highlight memorandum, only the "Language Provisions" sheet need be prepared according to the instructions and exhibits in [Section 110.3 of the A-11](#).

SECTION 45 – REVIEW PROCESS FOR SUPPLEMENTALS AND AMENDMENTS

- A. The review process for supplemental and amendment proposals is the same as that for the regular budget requests, although often on a much accelerated schedule. The Office of Budget reviews the proposal, often meeting with program managers from the operating unit to obtain additional information and a better understanding of the proposal. The Assistant Secretary for Administration and the Deputy Secretary review and must approve any proposal before it is forwarded to OMB. Operating unit staff incorporate requested changes into all exhibits and submit ten (10) copies to the Department. Typically, the review time at OMB for proposals not transmitted in the annual budget is a minimum of three weeks. When OMB approval is obtained, the operating unit makes necessary changes and sends fifty (50) copies to the Office of Budget. The Appropriations Committees may request hearings on supplementals or amendments. Such hearings may be separate or combined with hearings on the 20BY request. If a hearing is requested, witnesses should prepare themselves in the same manner as for the normal appropriation hearing process described in Volume IV of this *Handbook*.

**SECTION 46 – ACTION TAKEN AFTER APPROVAL OF AMENDMENTS OR
SUPPLEMENTALS**

- A. A reapportionment must be prepared for each affected account whenever the Congress approves a supplemental appropriation request. The instructions in Volume V of this *Handbook* are to be followed in preparing all reapportionment requests. The outlay, financial, and staffing plans discussed in Volume V must be updated to reflect changes resulting from approval of the supplemental request.

SUPPLEMENTALS AND AMENDMENTS

VOLUME III (CHAPTER 6) - APPENDIX A

EXHIBITS

Assumptions shown in the exhibits are for illustrative purposes only.

APPENDIX A - EXHIBITS FOR SUPPLEMENTALS AND AMENDMENTS

Assumptions shown in exhibits are for illustrative purposes only.

TABLE OF CONTENTS

<u>Exhibit</u> <u>Number</u>	<u>Page Number</u>
Exhibit III5A	A - III (6) - 1
Exhibit III5B	A - III (6) - 2
Exhibit III5C	A - III (6) - 3
Exhibit III5D	A - III (6) - 4
Exhibit III5E	A - III (6) - 5

DEPARTMENT OF COMMERCE
OPERATING UNIT OF COMMERCE

Salaries and Expenses
Supplemental Budget Request *
Fiscal Year 20BY **

Table of Contents

	<u>Page Number</u>
Appropriation Summary Statement	ES-1
Appropriation Language Sheet	ES-2
Summary of Resource Requirements	ES-3
Summary of Reimbursable Obligations	ES-4
Program and Performance: Direct Obligations	ES-5
Program and Performance: Reimbursable obligations	ES-6
Justification of Program and Performance	ES-7
Supplemental for 20CY	ES-8 **
Supplemental Personnel Detail	ES-10 *
Summary of Requirements by Object Class	ES-11
Detailed Requirements by Object Class	ES-12
Program and Financing Schedule	ES-15
Object Classification Schedule	ES-16
Personnel Summary	ES-17
	Secretarial Submission *** (month/year)

* To read “Supplemental Budget Request” or “Budget Amendment”, as appropriate.

** 20 CY is used for Supplementals, 20 BY for Amendments

*** To read “Secretarial Submission”, “OMB Submission” or “Congressional Submission”, as appropriate.

DEPARTMENT OF COMMERCE
OPERATING UNIT OF COMMERCE

Supplemental Budget Request *
Fiscal Year 20BY **

Table of Contents

	<u>Page Number</u>
Summary Statement	ES-1
Appropriation: Salaries and Expenses	
Appropriation Language Sheet	ES-2
Summary of Resource Requirements	ES-3
Summary of Reimbursable Obligations	ES-4
Program and Performance: Direct Obligations	ES-5
Program and Performance: Reimbursable obligations	ES-6
Justification of Program and Performance	ES-7
Supplemental for 20CY	ES-8 **
Supplemental Personnel Detail	ES-10 *
Summary of Requirements by Object Class	ES-11
Detailed Requirements by Object Class	ES-12
Program and Financing Schedule	ES-15
Object Classification Schedule	ES-16
Personnel Summary	ES-17
Appropriation: Economic Analysis	
Appropriation Language Sheet	ES-20
Summary of Resource Requirements	ES-21
Summary of Reimbursable Obligations	ES-22

Secretarial Submission ***
(month/year)

* To read “Supplemental Budget Request” or “Budget Amendment”, as appropriate.

** 20 CY is used for Supplementals, 20 BY for Amendments

*** To read “Secretarial Submission”, “OMB Submission” or “Congressional Submission”, as appropriate

APPROPRIATION SUMMARY STATEMENT
 OPERATING UNIT OF COMMERCE
 ECONOMIC STATISTICS

Salaries and Expenses
 Supplemental Budget Request
 Fiscal Year 20CY

	<u>Appropriation</u>	<u>Employment</u>	
		FTE	Pos
Presently available.....	\$30,000,000	225	234
Proposed supplemental.....	5,000,000	10	12
Revised estimate.....	35,000,000	235	246

STATEMENT OF PURPOSE AND NEED

The implementation of the Economic Statistics Reform Act placed new responsibilities on the Economic Statistics Program in the Department of Commerce. The demands placed on the agency include the development of

APPROPRIATION SUMMARY STATEMENT
OPERATING UNIT OF COMMERCE
ECONOMIC STATISTICS

Economic Analysis Programs
Supplemental Budget Request
Fiscal Year 20CY

	<u>Appropriation</u>
Presently available	\$40,000,000
Proposed supplemental	5,000,000
Revised estimate	45,000,000

STATEMENT OF PURPOSE AND NEED

The implementation of the Economic Statistics Reform Act placed new responsibilities on the Economic Statistics Program in the Department of Commerce. The demands placed on the agency include the development of new.....

APPROPRIATION SUMMARY STATEMENT
 OPERATING UNIT OF COMMERCE
 ECONOMIC STATISTICS

Salaries and Expenses
 Budget Amendment
 Fiscal Year 20CY

	<u>Appropriation</u>	<u>Employment</u>	
		FTE	Pos
Presently available	\$30,000,000	225	234
Proposed supplemental	5,000,000	10	12
Revised estimate	35,000,000	235	246

STATEMENT OF PURPOSE AND NEED

The implementation of the Economic Statistics Reform Act placed new responsibilities on the Economic Statistics Program in the Department of Commerce. The demands placed on the agency include the development of new.....

**VOLUME IV – CONGRESSIONAL REVIEW AND ACTION ON THE PRESIDENT'S
BUDGET**

TABLE OF CONTENTS

	Page Number
Section 47 The Congressional Budget Process	<u>IV - 1</u>
Budget Committees, Resolutions, and Reconciliation	<u>IV - 1</u>
The Authorization Process	<u>IV - 3</u>
Appropriations	<u>IV - 5</u>
Section 48 Appropriation Action	<u>IV - 8</u>
General Procedures	<u>IV - 8</u>
Subcommittee Hearings	<u>IV - 8</u>
Committee Action and Appeals	<u>IV - 18</u>

SECTION 47 – THE CONGRESSIONAL BUDGET PROCESS

- A. The purpose of this chapter is to set forth and describe the stages of the congressional budget review process after the transmittal of the President's Budget.
- B. Budget Committees, Resolutions, and Reconciliation
- 1) Background and Procedures
 - i) The Congressional Budget and Impoundment Control Act of 1974, as amended, establishes the congressional budget process as the means by which the Congress coordinates the various budget-related decisions it makes in the course of the year. The process is centered around a concurrent resolution on the Budget which sets aggregate budget policies and functional priorities. Because it is not a law, the budget resolution does not have statutory effect; no money can be raised or spent pursuant to a budget resolution. The main purpose of the annual budget resolution is to establish the framework within which the Congress considers separate revenue, spending, and other budget-related activities.
 - ii) The congressional budget cycle begins with the presentation of the President's Budget. After its receipt, a number of actions lead to formulation of the budget resolution. These actions include issuance of reports on the economic outlook and budget options by the Congressional Budget Office and "views and estimates" reports by House and Senate committees on budget matters in their jurisdiction.
 - iii) The budget resolution sets forth total revenues and the amount by which the total is to be changed, total budget authority and outlays, the deficit or surplus and total direct loan obligations and guaranteed loan commitments. These estimates are allocated among the various functions in the budget. The Congress may also include reconciliation directives in the budget resolution which instruct designated committees to report changes in law necessary to meet outlay targets.
 - iv) Preparation of the budget resolution is guided by baseline projections prepared by CBO or OMB informing the Congress of estimated revenues and expenditures under CBO or OMB adopted economic assumptions without policy changes. The budget resolution is also influenced by congressional committee reports of views and estimates which provide the Budget Committees with information on the preferences and legislative plans of the congressional committees.
 - v) Prior to the development of the budget resolution for a fiscal year, the House and Senate Budget Committees hold extensive hearings which are published along with their reports. When a budget resolution is reported, each Budget Committee issues an accompanying report.

- vi) The Congressional Budget Office issues, early each year, several reports that assist the Budget Committees. These include; Economic and Budget Outlook, Spending and Revenue Options, and Analysis of the President's Budgetary Proposals. Updates occur periodically.

2) Budget Reconciliation

- i) Reconciliation is the process used by the Congress to conform the revenues and expenditures ensuing from existing law to the levels in the budget resolution. The process has two stages: (a) the adoption of reconciliation instructions in the budget resolution; and (b) the enactment of reconciliation legislation that implements changes in revenue or spending laws. Reconciliation has been used since 1980, but it is still evolving as a process and the procedures used in one year may differ from those applied in the next.
- ii) Reconciliation begins with a directive in the budget resolution instructing designated committees to report legislation changing existing law (or pending legislation). Instructions generally have three components: (a) they name the committees to report legislation; (b) they specify the amounts by which existing laws are to be changed; and (c) they usually set a deadline for reporting the changes.
- iii) When a budget resolution containing a reconciliation instruction has been approved by the Congress, the instruction has the status of an order by the House and Senate to designated committees to recommend legislation. It is expected that committees will carry out the instructions of their parent chamber. Proposed legislative changes are usually consolidated by the Budget Committees into an omnibus bill.
- iv) The 1980s and 1990s saw a number of major initiatives designed to eliminate or reduce the federal government's overall budget deficit. Original estimates of the time it would take to eliminate the deficit, and of the political conflicts and public involvement necessary to accomplish that goal, proved to be overly optimistic. Those earlier estimates also may have been predicated on successive years of little or no program growth coupled with increases in the amount of the debt to be retired. However, inflation and continued program growth as sponsored by both the Administration and the Congress have proven those earlier estimates to be unrealistic and unobtainable.
- v) The budget targets and procedural steps which were included in the groundbreaking Gramm-Rudman-Hollings (GRH) legislation passed early in the 1980s were revised periodically in the mid-to-late part of the decade to reflect updated economic and budget assumptions. Remaining within the GRH targets became impossible after one-two years of those targets being established as political

decisions on priority programs created a series of exceptions which effectively bypassed the targets and their restrictions. But the Omnibus Budget Reconciliation Act of 1990, which contained the Budget Enforcement Act (BEA), enacted another major change in the federal budget process.

- vi) Acknowledging the difficulty in eradicating the Federal deficit totally, the BEA's focus is on spending limitations rather than on reduction targets (as found in GRH). The BEA sets spending ceilings, or "caps" on various types of mandatory and discretionary funds -- domestic, international, and defense. The BEA requires the identification of offsetting program cuts or revenue increases whenever program growth causes those spending caps to be exceeded. Failure to do so could trigger automatic sequesters. Thus this provision is known as "Pay-As-You-Go" or "PAYGO".
- vii) Managing under the PAYGO process may remain unclear initially. The Congress has not set aside specific amounts for each agency within each of the caps, so it is not possible to say that Commerce (or any other agency) has exceeded "its" cap -- there are no specific agency caps, only the categorical cap.
- viii) Budget Resolution spending allocations are published in the statement accompanying the conference report of the budget resolution. These allocations, known as "section 302(b) allocations" are divided among all House and Senate committees with jurisdiction over part of the budget. The House and Senate Appropriations Committees then allocate the amount provided to them among their subcommittees. Per the BEA, the Congress is expected to complete a budget resolution by April 15. If a budget resolution is not adopted by this date, the amounts included in the President's Budget may be used as allocations to the respective committees.
- ix) CBO cost estimates are included in committee reports accompanying legislation. The main documents in the reconciliation process are the House and Senate reports issued with the budget resolution and reconciliation legislation.
- x) The initial and final reports on sequestration, prepared jointly by OMB and CBO, are printed in the Federal Register.

C. The Authorization Process

1) Background and Procedures

- i) An authorization act is legislation that: (1) provides for the establishment, operation, or continuation of a Federal agency or program; and (2) authorizes appropriations for the agency or program, providing the basis under the rules of the House and Senate for later appropriations to be made.

- ii) Government programs and agencies operate under the terms and conditions authorized in legislation. Under the rules of the House and Senate, funds are usually provided in appropriation acts, not in authorizing legislation. The rules contemplate a two-step process: (1) an authorization act is enacted for a program or agency and then (2) appropriations are made for the authorized purposes. (Relevant House and Senate rules are set forth in Volume II of this *Handbook*.)
- iii) Authorizations can be classified into three categories, depending on their duration. Permanent authorizations do not have any time limit and continue in effect until they are changed by the Congress. An agency having a permanent authorization need only obtain appropriations to continue in operation. Multi-year authorizations are typically in effect for a two to five year period and have to be renewed when they expire. Annual authorizations are for a single year and, usually, for a fixed amount of money. These authorizations have to be renewed each year.
- iv) Under House and Senate rules, an authorization for a fixed amount of money establishes a ceiling on the budget authority that may be appropriated by the Congress. However, if the Congress sets aside its rules and appropriates in excess of the authorized amount or for unauthorized purposes, the full appropriation is available for expenditure (except when a law prohibits the obligation or expenditure of such unauthorized funds).
- v) The reports of House and Senate committees that accompany the authorizing legislation are major sources on information on authorizing legislation. Many committees also provide information on the authorizations in their jurisdiction in the views and estimates reports they make to the Budget Committees.

2) Examples of Types of Authorizations

- i) The following are examples of authorization language for the various types of authorizations.
 - (a) Permanent
 - (1) Sec. 8. There are authorized to be appropriated such sums as may be necessary to carry out this Act. (Source: P.L. 97-108)
 - (b) Multi-year
 - (1) Sec. 101. AUTHORIZATIONS OF APPROPRIATIONS
 - (2) The following amounts are authorized to be appropriated for the Department of State to carry out the authorities, functions, duties, and

responsibilities in the conduct of the foreign affairs of the United States and for other purposes authorized by law:

- (i) Administration of Foreign Affairs - For "Administration of Foreign Affairs". \$1,828,088,000 for the fiscal year 1986 and \$1,873,790,000 for the fiscal year 1987.
 - (ii) International Organizations and Conferences - For "International Organizations and Conferences", \$534,074,000 for the fiscal year 1986 and \$534,074,000 for the fiscal year 1987.
 - (iii) International Commissions - For "International Commissions", \$28,704,000 for the fiscal year 1986 and \$25,824,000 for the fiscal year 1987. (Source: P.L. 99-93)
1. (In this example, the act authorized State Department activities at increasing, constant, and decreasing levels).

(c) Annual

- (1) Sec. 2. (a) There are authorized to be appropriated to the Secretary of Commerce (hereinafter referred to as the "Secretary") for fiscal year 1986, to carry out activities performed by the National Bureau of Standards, the sums set forth in the following line items:
- (i) Measurement Research and Standards, \$36,843,000.00;
 - (ii) Materials Science and Engineering, \$21,943,000.00;
 - (iii) Engineering Measurements and Standards, \$33,555,000.00;
 - (iv) Computer Science and Technology, \$9,657,000.00;
 - (v) Center for Fire Research, \$5,827,000.00
- (2) (Source: P.L. 99-73).

D. Appropriations

1) Background

- i) An appropriations act is a law passed by the Congress that provides Government agencies legal authority to incur obligations and the Treasury Department authority

to make payments for designated purposes. Appropriations provide budget authority to agencies.

- ii) The power of appropriation derives from the Constitution, which provides that "no money shall be drawn from the Treasury but in consequence of appropriations made by law". The power to appropriate is exclusively a legislative power -- it was seen by the framers of the Constitution as a limitation on the executive branch. An agency may not spend more than the amount appropriated to it, and it may use the funds only for the purposes and according to the conditions provided by the Congress. Appropriations have been viewed as mandates that the funds be used to carry out the activities intended by the Congress. Appropriated funds must be apportioned by OMB before they are available to an agency for obligation (See Volume V of this *Handbook*).
- iii) Established practices recognized in the rules of the House and Senate provide that appropriations are to be made only in appropriations measures which are distinct from other types of legislation.
- iv) The President requests annual appropriations in his budget submission each year. In support of the President's appropriations requests, agencies submit "justifications" to the House and Senate Appropriations Committees. These justifications provide more detailed information than that contained in the President's Budget and are used, in part, to support agency testimony during Appropriations subcommittee hearings on the President's Budget. Volume III, Chapter 5 of this *Handbook* provides instructions on preparing congressional justifications.

2) Appropriations Measures

- i) The Congress passes three main types of appropriations measures. Regular appropriations bills provide budget authority to agencies for a specified fiscal year. Supplemental appropriations provide additional budget authority when the regular appropriation is insufficient or for activities not funded in the regular appropriation. Continuing appropriations measures provide stop-gap funding for agencies that have not received a regular appropriation by the start of the fiscal year. (These are also called continuing resolutions.)
- ii) Jurisdiction over the appropriations measures is vested in the House and Senate Appropriations Committees, which are divided into 12 subcommittees. Each subcommittee has jurisdiction over one of the regular appropriations bills. The Department of Commerce falls within the jurisdiction of the House appropriations subcommittee covering Commerce, Justice, Science and Related Agencies, and within the jurisdiction of the Senate appropriations subcommittee covering Commerce, Justice, Science and Related Agencies. See the committee websites at <http://appropriations.house.gov/> and <http://appropriations.senate.gov/>.

- iii) Continuing appropriations measures have become increasingly important in recent years and their scope has become much broader than was the case in the past. For example, the major continuing appropriations act for fiscal year 2007 covered 10 of the 12 regular appropriations bills for that year. Moreover, rather than providing interim funding until the regular appropriations bills were enacted, that act provided funds for the entire fiscal year. In effect, the continuing resolution became an omnibus appropriations act for fiscal year 2007.

3) Procedures

- i) By precedent, appropriations measures originate in the House of Representatives. In the House, most appropriations measures are originated directly by the Appropriations Committee (when it marks up and reports the legislation), rather than being introduced by a Member beforehand. Because general appropriations bills are privileged, they can be brought to the House floor without first obtaining a "special rule" through the Rules Committee. However, most appropriations measures come to the House under a rule waiving one or more of the standing rules, such as the rule against unauthorized appropriations.
- ii) The Senate considers appropriations measures after they have been passed by the House, though the Senate Appropriations Committee marks up these measures before the House has completed action on them. When the Senate changes a House passed appropriations measure, it does so by inserting consecutively numbered amendments. The Conference, to resolve differences in the measures passed by the two chambers, considers each of the numbered amendments.
- iii) Most appropriations accounts encompass a number of activities or projects. Detailed information on how these funds are to be spent, along with other directives or guidance, is provided in the reports accompanying the various appropriations measures. Government agencies ordinarily abide by report language in spending the funds appropriated by the Congress. Appropriations acts often contain substantive limitations on Government agencies through the use of "General Provisions." (See Section 59 for information on congressional directives.)

4) Documents

- i) The House and Senate Appropriations Committees and their subcommittees conduct extensive hearings, publish the hearings, and issue reports to accompany the regular, supplemental, and continuing appropriations measures. The text of all appropriations acts enacted in a particular session of the Congress, along with a comparison of budget estimates and appropriations enacted, are published in an annual report of the Appropriations Committees, printed as a Senate document.

SECTION 48 – APPROPRIATION ACTION

A. General Procedures

- 1) The House and Senate Committees on Appropriations conduct a full inquiry into the President's Budget Request. This is accomplished through a series of hearings in which Executive Branch officials and others present testimony to the Congress on the President's Budget. In the hearings, Commerce officials have the opportunity to clarify, supplement, and update their budget justifications through prepared statements and a question and answer session on matters of special concern to the Congress and, if necessary, through written responses to questions from Members.
- 2) The House and Senate Committees on Appropriations have 12 subcommittees respectively, each responsible for at least one regular appropriation bill. The Committee on Appropriations (in the 110th Congress), is one of 20 standing committees in the House and one of 16 standing committees in the Senate -- the House Committee consists of 66 members; the Senate committee of 29 members.
- 3) The general procedure of the subcommittee is to conduct informal business through designated staff assistants working with the Office of Budget staff. Formal communications generally take place between the subcommittee Chairman and the Secretary or the Chief Financial Officer/Assistant Secretary for Administration (hereafter, Assistant Secretary).

B. Subcommittee Hearings

- 1) Procedures applicable to both House and Senate
 - i) Because of the recurring, demanding nature of Appropriations Committee work, the House and Senate permit these committees more latitude than other committees with respect to procedure. The major exception allows Appropriations subcommittees to conduct hearings while the House and Senate are in session, and to have priority on the calendar. Most Department of Commerce hearings and meetings with the Appropriations Committees are held in the Capitol building to permit members to attend roll calls and to vote with a minimum of disruption to the hearings process. Verification of this data can be found on the Internet on the Appropriations Committee websites.
 - ii) Space in the hearing room is limited; witnesses and their staffs should wait in the corridor outside the hearing room, or in a waiting room as directed by the Office of Budget and subcommittee staff until it is their turn to enter the hearing room.
 - iii) After identification of the item under consideration and the witnesses, the person designated as the principal witness is given the opportunity to make an opening

statement highlighting and emphasizing the salient features of the budget request. The Chairman, followed by other subcommittee members, addresses questions to the principal witness, first on the opening statement and then on other elements of each appropriation request. If principal witnesses cannot answer, or wishes their response to be amplified, they may refer questions to other witnesses present or offer to supply additional data.

- iv) Ordinarily, supporting witnesses do not participate in testimony unless called upon by the principal witness or the Chairman. However, such witnesses may interject themselves, if it is obviously necessary to do so, by requesting permission of the Chairman, such as:
 - (a) "Mr. Chairman, perhaps I can respond to your inquiry-."
 - (b) "Mr. Chairman, if I may be permitted to supplement Mr. 's remarks--"; or
 - (c) "Mr. Chairman, I think I might be able to clarify this matter---".
- v) Supporting witnesses should never interject themselves unless the procedure has been agreed to in advance with the principal witness and the supporting witness is absolutely certain (no mistakes allowed) that they can provide a fully satisfactory response to an unanswered question, or can clarify an obvious and material misunderstanding.
- vi) If exhibits or documents are requested or called for in response to questions from the Chairman or other subcommittee members, the exhibits or documents must in all cases be offered to the Chairman (handed to the subcommittee clerk) rather than directly to another subcommittee member. For example: "Mr. Chairman, I have here a table which I think contains the information requested." To the extent that the need for exhibits and documents to be submitted can be anticipated, the subcommittee staff should be furnished copies in advance through the Departmental Budget Officer. This will assure a minimum of surprises and a more effective hearing.
- vii) It is considered a prerogative of the Chairman as to whether or not exhibits or documents are placed in the record. Witnesses should not offer exhibits "for the record," but only "in response to your request," or "for the information of the Committee."

2) House Procedures

- i) The House may conduct separate hearings on Commerce bureaus. Hearings are normally open to the public and a limited number of public seats are available. Attendance by Departmental personnel should be limited to witnesses and essential

staff support to permit a maximum number of seats to be used by the public. Hearings are not normally conducted unless both majority and minority representatives are present.

3) Senate Procedures

- i) Under current practice, the Senate holds fewer hearings than the House. Senate hearings are generally limited to an overview appearance by the Secretary with perhaps one or two of the larger Commerce operating units receiving a separate hearing. Again, these hearings are normally open to the public and attendance by non-essential personnel should be limited to permit maximum public attendance. Although every effort is made to have maximum representation and participation by the members of the subcommittee at all hearings, they may be conducted with only one member of the subcommittee present.

4) Time Schedule

- i) The Office of Budget is responsible for developing, with subcommittee staff, the time schedule for the appearance of witnesses, coordinating changes in the schedule, and keeping principal witnesses and designated budget officers advised. House and Senate hearings are usually held between February and April. The exact time schedules for each operating unit are provided by memorandum from the Office of Budget.
- ii) The time constraints on the Appropriations Committees must be considered in setting time schedules for hearings, and, except for extraordinary situations in which the public interest would be manifestly jeopardized, agency officials must adjust their personal time schedules to meet subcommittee requirements. Usually, within the general time constraint, the initial hearing is set at a date convenient to the Secretary with other time schedules following immediately thereafter.
- iii) It is rare that either the House or Senate is able to exactly maintain the initial schedule. Agency officials must take this into account and keep their own schedules sufficiently flexible to accommodate delays. In cases where this is not possible, agency officials should advise the Office of Budget of their problem and the reasons for it. The Office of Budget will review the problems with Departmental officials and subcommittee staff to work out the best possible solution.
- iv) Witnesses should not request a change in the time for which they are scheduled except in the most urgent circumstances. Any deviation from the schedule requires the subcommittee staff to coordinate changes with members who often schedule their attendance for selected witnesses or programs. Schedule changes also require changes for other operating units which cannot always be made on short notice. If a

change appears necessary, it must be arranged by the Director of the Office of Budget through the clerk of the subcommittee. Operating units should not take up such problems directly with the subcommittee.

5) Witness preparation

i) General

- (a) Witnesses at appropriations hearings represent the entire executive branch and are expected to support the President's budget decisions to the best of their ability. All witnesses must be familiar with the provisions of [Section 22 of OMB Circular A-11](#) relating to agency testimony before, and communications with, the Congress on budgetary matters (see Volume III, Chapter 5 of this *Handbook*).
- (b) Witnesses are expected to be thoroughly familiar with the contents of the justification material for the items being considered and with the programs which they represent. Subcommittees expect the principal witness to be able to answer most questions. There are times, however, when there are questions on details with which the principal witness could not be expected to be familiar, and these may be properly referred to a supporting witness.
- (c) Witnesses should also review and be prepared to comment on legislative proposals presented by the Administration or Members of Congress, GAO reports, Inspector General and internal audits, communications within the Administration which have been made public, and any magazine, newspaper, radio or television reports relating to the agency's programs which may be of interest to the Subcommittee.
- (d) Witnesses can prepare themselves by having special briefings from operating unit program and budget staff and by examination of previous hearing records for problems or questions which have been of particular concern to the subcommittees in the past. Frequently, the examination of these records brings to mind potential problem areas for which specially prepared data may be required by the subcommittee.

ii) Preparation of Supporting Materials

- (a) Operating unit budget officers are responsible for preparing all materials needed by witnesses to support their testimony, briefing witnesses on the contents, and having the materials available at the hearings. It is not possible, of course, to be able to anticipate all questions which a subcommittee might raise, but subcommittees expect witnesses to be fully prepared on the budget request. Unless otherwise directed, Microsoft Word files of the written statement and

the biography of the testifying witnesses should be emailed to the Office of Budget 5 days prior to the hearing. The Office of Budget will transmit these files to the Subcommittee 2 days prior to the hearing date. Forty copies of the written statement and biography should be brought to the hearing room day of the hearing. Witnesses are expected to be prepared for questions on:

- (1) information in the Budget and Appendices to the Budget, the Commerce Budget in Brief, justifications, witness statements, and the other material provided to the Committee; and
- (2) subjects listed for coverage in the dry run hearings.

iii) Guidelines

- (a) The basic guideline for witnesses is to be frank and responsive in all presentations to the committees. Witnesses should place their primary concern on being fully responsive, and should watch for opportunities to clarify obvious misunderstandings.
- (b) Witnesses should also consider the following guidelines:
 - (1) The Department's case is expected to be made in the justification material and in the principal witnesses' opening statements. Opportunity is often afforded to strengthen the Department's case in response to subcommittee questions, but it is generally a mistake to depend on expectations of favorable questions from the subcommittee as the primary basis for justifying a budget.
 - (2) Witnesses must support the details of the official justifications as presented to the Committee and provide explanations of requirements consistent with the terms of the printed justifications.
 - (3) It is usually a good idea in responding to questions to state what is in the justifications or, when appropriate, even to read from them -- testimony not related to the justifications before the Committee, or not consistent with them, can result in confusion and misinterpretation or misunderstanding of the item under consideration.
 - (4) Answers to questions should be concise and to the point.
 - (5) Do not try to anticipate the next question and answer it: the subcommittee Chairman and members usually like to develop their own lines of inquiry.

- (6) If answers to questions are not known, witnesses should frankly say so and offer to supply the information as soon as possible.
- (7) If a question calls for a yes or no answer, witnesses are expected to respond accordingly and then request permission to elaborate, if desired.
- (8) Witnesses should not attempt to answer questions of Departmental policy which fall within the purview of another Departmental official.
- (9) Witnesses should avoid being argumentative.
- (10) Witnesses are expected to support decisions of the President, OMB and the Secretary.
- (11) Only the principal witness should answer questions unless he refers the question to a supporting witness, or the question is specifically directed to another witness.
- (12) Occasionally, a witness is asked a question which he thinks may involve matters of national security, or other matters which should not be made public. When this is so, the witness should ask the Chairman: "May I go off the record for a moment before I respond to your question?" Explain to the Chairman the reasons for the concern. Appropriations Committee members and staff are usually cleared for security data and are sensitive to information which should not be made public. The general approach should be full willingness to give sensitive information to the committee, even though it should not be made public. This situation sometimes puts the witness in a dilemma since he must maintain the integrity of security classification, but permission of the Chairman is needed to go off the record.
- (13) Agency witnesses are assigned to one side of the table.
- (14) If other agencies are involved, witnesses must share responsibility for joint decisions and should be cautious in testifying not to cast blame, criticize, or otherwise jeopardize other parts of estimates or appropriations or the operations of other agencies.
- (15) All witnesses must be available at the Committee room promptly at the time scheduled.
- (16) No one not listed on the witness list will be permitted inside the hearing room during closed hearings without specific permission of the Chairman.

(17) In closed hearings, participants must treat as confidential all proceedings until the printed hearings are released.

6) Materials Submitted Prior to Hearings

i) Witness Lists

(a) The names and titles of prospective witnesses are to be submitted to the Office of Budget by memorandum at least five days prior to the scheduled hearing. It is not always possible to make room at the hearing for all of the witnesses that an agency may wish to attend. Committees are not favorably impressed with large numbers of witnesses who are not expected to participate, and in particular with those who do not have answers when questions are directed their way. No one should be included on the witness list who is not expected or prepared to either testify or to provide supporting data.

ii) Witness Written Statements

(a) Each principal witness is expected to present a summary written statement of the budget proposal for which he is responsible. However, the statement should present clearly and concisely what the budget proposal is and the justification for it; its figures should be readily consistent with summary tables in the justifications, and its content should follow the same order as the justifications or make it clear why a different order is followed. Center heads should be inserted whenever the subject matter changes and as necessary to highlight important points.

(b) In both the House and Senate, statements are usually placed in the record and highlighted. Copies of these statements and of any statement which is read must be made available to the Committee through the Office of Budget and brought to the hearing to be made available to the public. No set rules regarding the length of the statement are made because of the wide variation among Department operating units in the size and complexity of the basic programs and the budget requests. Typically, each significant element of the budget request is expected to be dealt with in the statement. Effective statements sometimes can be presented in three or four pages where there are few changes from the current year appropriation. The committees prefer short statements to maximize the time for their questions.

iii) Biographic Sketches

(a) Each principal witness testifying for the first time before an appropriations subcommittee should have a biographic sketch available. Thirty (30) copies

should be delivered to the Office of Budget five (5) days prior to the scheduled hearings.

7) Materials Printed for Publication

- i) The Office of Budget provides annual detailed instructions on editing transcripts and preparing inserts for the record. The annual guidance supplements the guidance contained here.
- ii) Transcripts
 - (a) Shortly after individual hearings are completed, one copy of the hearings transcript is picked up from the subcommittee by the Office of Budget. A limited time is allowed to proofread and correct any errors in the transcript. Time available is limited because the House cannot mark up the budget request until their hearings are published. It is the Department's responsibility to return the edited transcript within the specified time limits.
 - (b) Changes or notations in the transcript must be made in medium soft black pencil. A flag should be attached to each page on which a correction is made. Changes are restricted to correction of grammatical or other obvious errors and omissions. The intent of testimony must not be altered. The subcommittee reserves the right to delete editorial changes violating these principles. Under no circumstances shall testimony of subcommittee members be altered. Marginal notes should be used to indicate obvious typographical errors in members' testimony. If there is a misstatement of fact or some other reason which you believe justifies making a change, attach a note indicating the page and the proposed change.
 - (c) Descriptive headings, commonly called center heads, which briefly identify the subject matter being discussed should be inserted in the center of the page at appropriate places. As a general guide, headings should be inserted at least every three pages of transcript and whenever the subject matter changes. Where the transcript calls for an insert to be placed in the record, the insert should be identified by a brief heading. If the subject matter following the insert changes, a new heading is required as explained above.
- iii) Inserts for the Record
 - (a) Material to be inserted in the record for the House or Senate must be prepared on letter size paper (8 1/2 by 11 inches), and attached to the transcript (as indicated below) when it is returned to the Office of Budget, together with a listing of all items to be furnished, showing the title of the insert and page number. The insert should be numbered in the upper right-hand corner with the

same number as the transcript page calling for the insert, plus the letter "a", i.e., 745a, and placed immediately after page 745. If the transcript calls for more than one insert on the same page, then each insert will be numbered with the letters "a", "b", "c", etc.: i.e., the first insert will be 745a; the second, 745b; the third, 745c; and so on, and all pages will be placed immediately following page 745 of the transcript. If the material to be inserted is short (such as an explanation requiring only a few words or not more than one or two lines), this information can be written in at the appropriate place in the transcript in pencil, rather than attaching a separate sheet. Under unusual circumstances, where it is physically impossible to submit the material with the transcript, the list should indicate the expected submission date. A copy of each insertion, together with the list, must be furnished for Departmental budget files. Material to be inserted in the record should not be reduced before attaching to the transcript.

8) Questions for the Record (QFRs)) (AKA "Questions and Answers" (Q&A))

- i) The Office of Budget provides annual detailed instructions on answering questions for the record from the House and Senate appropriations committees. The annual guidance supplements the guidance contained here.
- ii) Format
 - (a) Answers to questions for the record must adhere to the requirements described below.
 - (1) Documents should be prepared in Microsoft Word using Times New Roman font, size 12;
 - (2) Left margin should be set at 1.6", right margin at 1.2", top and bottom margins at 1";
 - (3) All text should be single-spaced with double-spacing between paragraphs, topics, and center heads;
 - (4) A center head in CAPS identifying the senator or representative for each member's set of questions should be included;
 - (i) QUESTIONS SUBMITTED BY [INSERT REPRESENTATIVE OR SENATOR'S NAME].
 - (5) The topic of the question should be identified and underlined following the center head;
 - (6) Questions should be restated verbatim in bold type;

- (7) Succinct answers with a minimum of one complete sentence per question should be prepared;
 - (i) “Yes” or “No” answers are not acceptable.
 - (8) “QUESTION:” should precede each question; “ANSWER:” should precede each answer (both must be in all caps); and
 - (i) Indentations are not permitted.
 - (9) There should be a new page for each member's set of questions (a set of questions encompasses all of the member's questions).
- iii) Questions requiring input from multiple bureaus must be coordinated by the lead bureau assigned to the question.
 - iv) Completed “Questions and Answers” should be emailed to the appropriate BCRD analyst who will be identified each year.
 - v) A Questions for the Record example is provided in Appendix A of this volume.
- 9) QFR, Transcript, and Transcript Insert Clearance Process
- i) Transcripts and QFRs are reviewed and subsequently cleared by multiple offices. The Office of Budget (OB) is the coordination point for all transcripts and QFRs issued by the appropriation committees. The process for the review of transcripts and QFRs is described below. For convenience, “documents” will be used to denote the QFRs, transcripts, and transcript inserts.
 - (a) OB receives the documents from the congressional committee with the applicable due date noted. OB forwards the documents to the responsible operating units with due dates and any other necessary guidance. Operating units then provide their input to OB.
 - (b) OB reviews the documents and requests clarification from the operating units when necessary. OB forwards the documents to OMB for review. Any questions OMB may have will go through OB who will work with operating units to ensure responses are timely and responsive. Operating units should refrain from contacting OMB directly without the involvement of OB.
 - (c) Subsequent to OMB clearance, OB will forward the documents to the Secretarial staff offices for review. Upon clearance by Secretarial staff, OB transmits the documents to the congressional committee.

C. Committee Action and Appeals

1) House Action

i) After the hearings, the House subcommittee meets and "marks up" the President's Budget with its own recommendations and drafts the appropriations bill and report. At this point, the bill receives a number (H.R.) which remains the bill number through all further stages leading to its enactment. The full committee then meets to review the subcommittee action, revise or adopt the bill and report, and order the bill reported to the House. The bill goes to the House floor, where it is passed with or without amendments. The House passed version of the bill is referred to the Senate Appropriations Committee.

ii) Impact Statements

(a) Policy

- (1) The basic rule on impact statements is that agencies are pledged to support the Budget as submitted by the President unless he/she or OMB approves its amendment. Concurrence with an appropriation change made by the House, either upward or downward, or a language change, is in effect agreeing to an amended budget, and needs OMB review and clearance.
- (2) The paramount factor in preparing impact statements is to maintain the integrity of the policies and priorities stated in the President's Budget, and the Economic and State of the Union messages. This leads to two general guidelines which OMB usually insists on:
 - (i) support the elimination of any increases made by the House which would call for expenditure in excess of amounts requested; and
 - (ii) justify the need for restoration of the full amount requested for important Administration initiatives.
- (3) Agencies are also expected to address any reduction which would impair programs essential to the public health and safety. The issue in these cases many times is whether a reduction did in fact compromise the President's policies and priorities, or actually impair an essential program. For example, the House may have no quarrel with a program, but feels it could be carried out for less money, or the passage of time or other factors make it unlikely that the full amount requested can be spent in the budget year.

- (4) To be taken into account are such matters as the relative priority of reductions compared with items allowed, whether programs are eliminated entirely or merely reduced in scope, whether it might be feasible to stretch out the time schedule for attaining objectives, and whether any arguments can be advanced for getting the Senate to take on the responsibility of changing the House position.

(b) Procedures

- (1) Within 48 hours of House full committee action, operating units submit to the Office of Budget a breakout of the totals included in the House report by activity and subactivity as shown on the Summary of Resource Requirements (salmon sheet). The timely submission of this information will be facilitated if the operating unit has developed an internal financial plan as recommended in Section 58 of this *Handbook*. Each subactivity includes figures for budget authority for the President's Budget and House allowance.
- (2) Summary statements accompany the tabular material. See Exhibit V.5.8. It is important to be specific as to what will happen to the program outputs and objectives if the House allowance is enacted. Statements should include narrative on the following.
 - (i) The overall programmatic impacts, such as the potential for reductions-in-force or furloughs, discontinued programs, etc.;
 - (ii) New restrictions or limitations and their impacts;
 - (iii) List of earmarks/unrequested projects;
 - (iv) Possible requirements for reprogrammings;
 - (v) Inconsistencies between appropriations and report language;
 - (vi) Technical errors; and
 - (vii) Outcome of House action on funding provided for adjustments-to-base and specific program changes requested in the President's Budget.

2) Senate Action

- i) Although the Senate Appropriations Subcommittee holds hearings on the budget request prior to the House report and action, it rarely reports or takes action until

after the House has held its "mark-up" and reported on the bill to the floor of the House.

- ii) The Senate subcommittee marks up and drafts its revisions to the House bill and prepares its own report. As in the House, the full committee then reviews the subcommittee action and adopts or revises the bill and report and orders the bill reported to the Senate. The Senate version of the bill as reported is voted on by the Senate and passed with or without amendments. Impact statements, as discussed in the previous section, will be due to the Office of Budget within 48 hours of Senate full committee action.

3) Appeals to the Conference Committee

- i) Once both houses have passed their versions of the bill, House and Senate "managers" or conferees are appointed by the presiding officers of both houses. If the House and Senate allowances for an item are different, the item is called "conferenceable." If the two allowances are the same, although they may be different from the President's Budget request, the item is "non-conferenceable." The same guidance on House and Senate impact statements applies to conference action except that tabular information includes columns for "Conference Action."
- ii) Impact statements for House and Senate allowances will be forwarded to congressional clerks for consideration.

4) Conference Action and Enactment

- i) The Conferees reconcile the differences between the two versions and issue a conference report which must then be approved by each house. This approval constitutes passage of the appropriation by the Congress. The bill is then sent to the President for signature.
- ii) When an appropriation bill is not passed by the Congress by the beginning of the fiscal year, all outstanding appropriation bills may be combined into one "Continuing Resolution" which carries a new bill number, H.J.Res. The new bill incorporates the provisions of the individual appropriation bills.

5) Report Requirements

- i) Specific requests or directives to agencies are often included in the House and Senate reports accompanying appropriations bills. These directives may require agencies to provide reports on the progress of specified activities or to provide additional information on identified topics. Under normal circumstances, only requests included in both House and Senate reports or adopted by reference in the Conference Report will be subject to action. Also, in the event that particularly

sensitive or critical items are requested in either the House or Senate reports, the Office of Budget will confer with bureaus to ensure that these reports that are treated appropriately.

CONGRESSIONAL REVIEW AND ACTION ON THE PRESIDENT'S BUDGET

VOLUME IV – APPENDIX A

EXAMPLES

**Assumptions shown in the examples are for illustrative purposes
only.**

APPENDIX A – TRANSCRIPT AND QUESTIONS AND ANSWERS EXAMPLES

TABLE OF CONTENTS

	Page Number
Transcript Markup Example	A – IV - 1
Transcript Insert Example	A – IV - 7
Questions and Answers Example	A – IV - 11

TRANSCRIPT

MARKUP

EXAMPLE

1 with this?

2 Secretary Gutierrez. My understanding is that--

3 Senator Mikulski. And whether we need to continue to
4 hire and use this as a tool or mechanism?

5 Secretary Gutierrez. It is an annual renewal in the
6 appropriations bill. So we get a 1-year extension,
7 essentially, every year. We collected about \$1.5 billion of
8 fees. So this is--

9 Senator Mikulski. B? Like in "Barb?"

10 Secretary Gutierrez. Yes. I hope that is right.

11 Senator Mikulski. Yes, that sounds about right.

12 Senator Shelby. That is a lot of money.

13 Secretary Gutierrez. And we have 4,000 examiners. We
14 are hiring 1,000 over the next 5 years. And unfortunately,
15 you are right. The pendency is growing from about ~~27~~^{29 MONTHS} days⁹ to
16 ~~32. I am sorry,~~⁹ 32 months. So it is not going in the
17 direction we want.

18 We are hiring more examiners. We are trying to make the
19 process a lot smoother at the beginning, trying to avoid
20 patents that we don't need to put through the process, getting
21 more quality in the beginning.

22 We have a conflict here between the quality of the patent
23 and the pendency. So we want to lower pendency, but not at
24 the expense of quality, especially technology.

1 Senator Mikulski. We don't want to have other BlackBerry
2 cases and so on.

3 Secretary Gutierrez. Exactly. So technology folks are
4 very concerned about the quality aspect. Everyone is
5 concerned about the quality aspect.

6 So we are working on that. We are hiring more people.
7 We have just gone online for the first time. We have what we
8 think is the most efficient patent application system, where
9 people can apply online.

10 Senator Mikulski. They couldn't do that before?

11 Secretary Gutierrez. Not to the extent that they can
12 today. And we launched just about 1 month ago. That should
13 help our pendency. We have monthly reports on productivity,
14 monthly reports on production. People are ^{re}awarded for that.
15 They are measured on that. These metrics are cascaded
16 throughout the PTO offices.

17 So, more and more, it is being managed by the numbers and
18 quality of the patents. ~~But there is no question, and~~ we
19 agree with your challenge that as we improve quality, we also
20 have to take down pendency. We just can't afford to have our
21 pendency continue to increase.

22 Senator Mikulski. See, this is part of the innovation-
23 friend Government. And people in Maryland who are inventors
24 and then someone in the bio fields, which is another dynamic,

1 is they have to stand in two lines. One to get their patent,
2 the other to get their FDA approval. So that, in and of
3 itself, is time.

4 What they have shared with me is that, say, if they are
5 waiting for their patent, some of their intellectual property
6 has already been stolen. And so, that is an issue. It is a
7 big issue.

8 Do you feel that the 1,000 examiners that you hired will
9 be enough, or do you think you need to have more?

10 Secretary Gutierrez. We believe that, for now, it should
11 be enough. But if we see that it isn't, we will be coming
12 back to you.

13 *] Patent examiners - qualifications and retention [*
Senator Mikulski. Well, what are the tools then for
14 retention? First of all, share, as you did with me, with
15 Senator Shelby what ^{are} the basic qualifications to be a patent *Suggest*
16 examiner?

17 Secretary Gutierrez. We have actually gone back and
18 looked at this. We hire mostly engineers and lawyers. About
19 19 percent of the engineers we hire also have a law degree.

20 Senator Mikulski. See, so this is a big bucket of talent
21 here?

22 Secretary Gutierrez. Oh, this is--

23 Senator Shelby. Important talent.

24 Secretary Gutierrez. Yes, very important. And we

1 actually retain people for about 6-1/2 years. So they come,
2 an average of tenure with PTO is about 6-1/2 years. So they
3 know they are getting the best training you can get, working
4 with very smart people. They are at the leading edge of
5 seeing what technologies are happening and who is innovating.

6 ~~We provide them,~~ if they don't have a law degree, we
7 provide them with financial help to get a law degree. We give
8 them training to help them manage people. We are constantly
9 trying to upgrade their skills. So it is a way of keeping
10 them there.

11 Our starting salaries ~~are about average,~~ about \$56,000.
12 And that ranges anywhere from \$35,000 to \$70,000, depending on
13 their GPA, depending on their skills. ~~But average about~~
14 ~~\$56,000.~~ That is about 10 percent below the private sector.

15 So we know that we have to fill that gap with other ways--
16 -

17 Senator Mikulski. You mean for a young associate in a
18 law firm--

19 Secretary Gutierrez. For a young associate coming in,
20 that is right.

21 Senator Mikulski. That would be focused on intellectual
22 property?

23 Secretary Gutierrez. About 10 percent. They make about
24 10 percent more in the private sector.

1 So we have to fill that 10 percent through other ways--by
2 training, by giving them a great work environment, by giving
3 them a sense that they are in the right place at the right
4 time.

5 Senator Shelby. Well, that is very important.

6 Secretary Gutierrez. And we pay them for performance, a
7 10 percent bonus. We would like to see that go up to about
8 17--

9 Senator Shelby. For good people?

10 Secretary Gutierrez. That is right, for the people who
11 are performing.

12 Senator Mikulski. Six and a half, are you satisfied with
13 that, or would you hope that they would stay longer? And
14 don't you need a career service to be able to mentor--

15 Secretary Gutierrez. Yes. That is right.

16 Senator Mikulski. -- these talented, young, bright
17 people? Or mid-career people that are changing? There might
18 have been somebody who is a ⁿwiz in electrical engineering, Suggest
19 maybe one of our leading defense contractors gets their law
20 degree and wants to move over and do something like this?

21 Secretary Gutierrez. I agree. The 6-1/2 years is higher
22 than I would have expected. I would like to see more. And I
23 think it is a good--

24 Senator Shelby. Six and a half years is average, right?

TRANSCRIPT

INSERT

EXAMPLE

HAP095.190

PAGE 51

1183 appropriations in the future?

1184 Secretary GUTIERREZ. I will have to get back to you,
1185 Congressman. I am sorry.

1186 Mr. GOODE. And I intended to have these questions for
1187 you. Now, it was a snafu in my office in getting them to
1188 you. I apologize.

1189 Secretary GUTIERREZ. I will get back with that.

1190 Mr. GOODE. One other question along the EDA thing.
1191 Right now Virginia works with the Philadelphia office and
1192 they feel that it would be a distinct disadvantage if they
1193 have to shift their focus to Chicago where there is not the
1194 same knowledge of personnel. Travel time, if they have to
1195 meet, of course, is greater. And I just wanted to share that
1196 concern with you.

1197 Secretary GUTIERREZ. Sure.

1198 Mr. GOODE. Go ahead.

1199 Secretary GUTIERREZ. We had looked at consolidating
1200 some offices. We do not have that in the plan now, but that
1201 was just--

1202 Mr. GOODE. That is what they have heard about, I am
1203 sure.

1204 Secretary GUTIERREZ. ~~Yeah?~~ That is right. ~~And~~^{we}
1205 still have the same number of offices. We had looked at
1206 consolidating simply because the agency is smaller than it
1207 once was. But we have not included any consolidation in this



Insert



51a 

Regional Planning Commissions

We strongly support the designated economic development districts (EDDs). In FY 2006, EDA will ensure that all EDDs will receive partnership planning funds. In addition to maintaining this level of support in FY 2007 (appropriated funds permitting), EDA will consider additional support to EDDs that engage in broader, more comprehensive regional economic development planning efforts.

HAP095.190

PAGE 52

1208 plan.


1209 Mr. GOODE. One final question somewhat along the lines
1210 of what Chairman Wolf was talking about earlier. I remember
1211 over the last seven or eight years at least three, maybe as
1212 many as five votes on MFN, Most Favor Nation status. That
1213 was changed to Permanent Normal Trade Relations, PNTR, with
1214 China.

1215 And I can remember both in the Clinton Administration
1216 and the Bush Administration prior to yourself those persons
1217 from the Department of Commerce, the Secretaries and others,
1218 with both Administrations saying please support PNTR with
1219 China. If we have this, we look for the trade deficit to go
1220 down. It is going to be such a great exchange, the trade
1221 deficit with China to go down.

1222 And I did not buy into that, never voted for it. But
1223 that has not been the case. And the Chairman stated the most
1224 recent figures, ^{of} 161 billion. The deficit with China
1225 continues to grow.

1226 So would you have to agree that all of those who were
1227 saying that we are going to reduce the trade deficit with
1228 China if you will just give us this? May have been wrong. I
1229 am not even going to ask you to say they were wrong. I am
1230 just asking you to admit they may have been wrong.

1231 Secretary GUTIERREZ. I was not here. I do not remember
1232 anyone saying that that would take care of the trade deficit.


QUESTIONS

AND

ANSWERS

EXAMPLE

QUESTIONS SUBMITTED BY SENATOR BARBARA A. MIKULSKI

Departmental Management WCF & A&R

QUESTION: Please provide the WCF bill breakout (including the A&R) by bureaus for FY 2001 – 2007. Also provide the estimated WCF bill (including A&R) for each of the bureaus in the FY 2008 request.

ANSWER: The requested information is attachments 1 and 1a.

QUESTION: Please provide a breakout of ATBs (adjustments to base) by bureau for WCF payments, any E-Government initiatives and for the Commerce Business System

ANSWER: The requested information is attachment 2.

QUESTION: Please provide a complete cost breakout for the development of CAMS/CBS by fiscal year since inception. Cost should capture: all contract costs; all Commerce staff assigned to central coordinating offices; all detailed staff from bureaus to central office; all staff costs for staff that primarily worked on CAMS/CBS.

ANSWER: Attachment 3 provides a complete cost breakout for the development of the Commerce Administrative Management System/Commerce Business System (CAMS/CBS) from fiscal year 1999 to 2003. Upon full bureau implementation at the end of fiscal year 2003, CAMS/CBS has been in operational maintenance and support status.

QUESTION: Please provide any estimated out-year costs associated with CAMS/CBS development.

ANSWER: Since fiscal year 2004, CAMS/CBS development costs have been for technical migrations to keep current with Oracle forms and database applications to ensure information technology audit compliancy. There have been no application functionality developments except in non-compliance situations when dictated by new and/or changes in Federal policy or regulations.

QUESTION: Please provide the latest FAIR Act inventory along with the status of any on-going or planned A-76 competitions.

ANSWER: The Department of Commerce has initiated a streamlined competitive sourcing competition for their Office of Photographic Services. A decision is expected to be announced by the Department by April 2007. No additional competitions are planned at this stage. The last OMB-approved inventory (FY 2005) is attachment 4. We expect to have our FY 2006 inventory approved and released by OMB in the next few weeks and will notify Congress at that time. There has been no substantial change between the 2005 and 2006 inventories.

The link to the website is: http://oamweb.osec.doc.gov/CS_doc_inventories.html

QUESTION: Please provide a funding estimate for the DOC portion of the HCHB renovation by fiscal year for the project.

ANSWER: The Department is requesting \$4.3 million for its portion of the HCHB renovation in FY 2008. The total estimated cost for the Department is \$21.6 million, through 2020.

QUESTION: Please provide an itemized listing of the \$4.3 million requested for HCHB renovation.

ANSWER: The itemized listing of the \$4.3 million requested for HCHB renovation follows:

Relocation and Planning	\$156,000
DOC Construction Costs	\$1,441,000
Equipment and Furniture	\$2,117,000
Security	\$56,000
IT	<u>\$530,000</u>
	\$4,300,000

QUESTION: How much does DOC spend on maintenance of the HCHB? What is the source of those funds? Does GSA provide any funding to support HCHB maintenance?

ANSWER: DOC spent approximately \$12,413,000 for maintenance of the HCHB in FY 2006. The source of funds is from the HCHB tenants through the Departmental Management's Working Capital Fund. GSA does not provide any funding to support HCHB maintenance.

Departmental Management - Media Questions

QUESTION: We understand that Commerce has been revising its over 20 year old communications policy for the last few months. What is the status of the policy and when can we expect it to be released and implemented?

ANSWER: On March 29, the Department released its new public communication policy, following three separate rounds of internal input from our employees, in particular our scientists, on the draft policy. The policy will take effect on May 14, following a 45 day time period to conduct training and outreach sessions with employees.

QUESTION: What steps will the Department take to ensure that all staff are informed of and understand how to implement the policy?

ANSWER: We have publicly released the policy along with "Frequently Asked Question" document, and placed both on our website. We are providing a 45 day window of time before the policy takes effect in order to conduct training and outreach sessions with current employees. We are also considering ways to require annual "refresher" sessions as well as to require training for new employees.

QUESTION: Will the revised policy include language to specifically address recent concerns raised by scientists regarding interference with the dissemination of their research results?

ANSWER: Yes, the new policy provides a series of clear principles which reiterate the Department's support for the open exchange of scientific ideas, information, and research. The policy also specifically provides for Fundamental Research Communications (a communications "carve-out" for scientific research), a series of best practices for public affairs employees, and provides operating units with the flexibility to use existing, or issue new, guidance regarding the implementation of the new policy (as long as it is consistent with the Department policy).

QUESTION: Specifically, will the new policy:

Define the types of media contacts, press releases, presentations, or other documents that would be subject to the policy;

ANSWER: Yes, the policy provides clear definitions of what types of documents are covered by the policy.

QUESTION: Describe situations, if any, in which prior approval is required for press releases and media interviews;

ANSWER: Yes, the policy describes the situations, if applicable, which require prior approval for press releases and media interviews.

QUESTION: If prior approval is required, describe the specific process for approving press releases and media interviews;

ANSWER: The Department's policy provides an overall conceptual framework for public communications, and set general Department-wide guidelines. Because the 13 agencies within the Department are so diverse, the new policy will provide operating units the flexibility to continue to set more specific procedures, which must be consistent with the overall Department policy.

QUESTION: Explicitly delegate authority to approve releases or interviews of a time sensitive nature or local interest to appropriate levels within the Commerce agencies;

ANSWER: Yes, the new policy explicitly delegates authority to approve releases or interviews of a time sensitive or local interest to appropriate levels within the Commerce agencies.

QUESTION SUBMITTED BY SENATOR RICHARD C. SHELBY 

BEA's R&D Budget Initiative

QUESTION: The BEA has a proposal for \$2.1 million to measure the impact of research and development on the economy. Can you tell us more about this initiative and how it will impact future GDP calculations?

ANSWER: While most economists believe that R&D and other investments in intangibles are among the most important sources of growth in GDP and productivity—with some estimates ranging as high as 40% of growth—there are no hard official estimates on their impact. This project will provide the Nation with a much clearer picture of the impact of investments in R&D and other intangibles on trend growth in GDP and productivity, as well as their impact over the course of the business cycle. The BEA project will provide aggregate data, as well as data on the effects across industries, across regions of the country, and its impact on our international trade and balance of payments. These data will prove useful in a broad variety of contexts ranging from monetary policy and budget projections to tax policy and the funding of investments in R&D.

BEA is in the early stages of developing estimates for R&D as investment, and these estimates will not be fully incorporated into the National Income and Product Accounts until 2013. However, this preparatory work, in the form of satellite accounts, can provide valuable information on the effect of investment in R&D on U.S. economic growth. The preliminary R&D satellite accounts released in September 2006 showed R&D investment accounted for 6.5% of growth in real GDP between 1995 and 2002 and 4.5% of growth between 1959 and 2002. In comparison, businesses' investment in commercial and all other types of buildings accounted for just over 2 percent of real GDP growth between 1959 and 2002.

NOAA JOCI and the Ocean Policy Scorecard

QUESTION: Although NOAA's 2008 budget request boasts a \$123 million increase for ocean-related activities, it represents a fraction of the true budgetary needs for the marine community. For the past few years, the Joint Ocean Commission, which formed the inception of the President's U.S. Ocean Action Plan, has clearly and objectively laid out the budgetary requirements to better support ocean-related science research and education. I am extremely concerned that Congress continually receives a budget request from the Administration that downplays these critical activities. I wonder at what level your department endorses marine science, because frankly, Mr. Secretary, the Senate is weary of being the only federal entity that champions this funding disparity.

Are you familiar with the Joint Ocean Commission Initiative, and the contents of its recent publications, namely the U.S. Ocean Policy Report Card for 2006? And are you aware that the category for "New funding for ocean policy and programs" received the grade of "F"? What are your thoughts on this grade?

ANSWER: Yes, I am familiar with both the Joint Ocean Commission Initiative and the recent Ocean Policy Score Card. We are pleased to note that we have had grade improvements for 2006 in five out of the six subject areas. We were also pleased with the overall scores for Ocean Governance and Fisheries Management Reform. With respect to the grade for “new funding for ocean policy and programs,” the scorecard was issued prior to the release of the FY 2008 President’s Budget. The FY 2008 Budget includes significant new increases in support of implementing the Ocean Action Plan, addressing many of the concerns noted by the Report Card.

NTIA Public Safety Interoperable Communications Grant Program

QUESTION: Mr. Secretary, your department has entered into a memorandum of understanding with the Department of Homeland Security to assist in the development of policies, procedures and regulations governing the Public Safety Interoperable Communications (PSIC) grant program.

What role will your department play in developing the grant guidance package and eligibility requirements for this \$1 billion program?

ANSWER: The Department of Commerce’s National Telecommunications and Information Administration (NTIA) is working very closely with the Department of Homeland Security (DHS) in the development of grant guidance and requirements for the program. Consistent with the requirements of the Deficit Reduction Act of 2005 and the Call Home Act of 2006, NTIA retains final approval authority for policies, procedures and regulations that govern the PSIC Grant Program.

QUESTION: The Department of Homeland Security has been grappling with the issue of interoperable communications for years. I sit on the appropriations subcommittee for that department as well. These funds are intended to focus on the purchase of equipment to address interoperability.

Mr. Secretary, tell me how your involvement will ensure this funding will be put to the best use by the localities in Alabama and throughout the United States to achieve true interoperability across county and state lines?

ANSWER: NTIA intends to use its expertise to explore and encourage all technology solutions that are available to first responders to advance overall interoperability. With the Statewide Interoperability Communications Plans and the PSIC investment justifications, NTIA and DHS will be able to approve projects that clearly identify interoperability gaps and provide the greatest benefit toward improved interoperability.

VOLUME V – BUDGET EXECUTION

TABLE OF CONTENTS

	Page Number
Section 49 Summary of Process	<u>V - 1</u>
General	<u>V - 1</u>
Legal Framework	<u>V - 1</u>
Steps in Budget Execution	<u>V - 2</u>
Section 50 Roles and Responsibilities	<u>V - 4</u>
Government-wide Roles	<u>V - 4</u>
Department of Commerce	<u>V - 4</u>
Operating Units	<u>V - 5</u>
Section 51 Apportionments	<u>V - 7</u>
General	<u>V - 7</u>
Legal Basis for Apportionment	<u>V - 7</u>
Apportionable Accounts	<u>V - 7</u>
Deficiency or Supplemental Apportionments	<u>V - 7</u>
Amounts Proposed for Rescission or Deferral	<u>V - 8</u>
Relationship to Financial Plans	<u>V - 8</u>
Schedule	<u>V - 8</u>
Standard Apportionment Procedures	<u>V - 9</u>
Allocation of Apportioned Amounts	<u>V - 11</u>
Section 52 Continuing Resolutions	<u>V - 12</u>
Section 53 Reports on Budget Execution	<u>V - 15</u>
General	<u>V - 15</u>
Reporting Procedures	<u>V - 15</u>
Coverage	<u>V - 15</u>
Verification of Data	<u>V - 15</u>
Section 54 Rescissions and Deferrals	<u>V - 16</u>

	Page Number
General	<u>V - 16</u>
Impoundments	<u>V - 16</u>
Rescissions	<u>V - 16</u>
Deferrals	<u>V - 16</u>
Cancellations	<u>V - 16</u>
Reserves	<u>V - 17</u>
Cases Requiring Special Messages	<u>V - 17</u>
Contents of Special and Supplementary Messages and Reports	<u>V - 17</u>
Reviewing Deferrals	<u>V - 18</u>
Section 55 Reporting and Monitoring Federal Outlays	<u>V - 19</u>
General	<u>V - 19</u>
Reporting Requirements	<u>V - 19</u>
Timing of Submissions	<u>V - 20</u>
Section 56 Capital Assets	<u>V - 22</u>
Section 57 Reprogrammings/Transfers	<u>V - 23</u>
General	<u>V - 23</u>
Definitions of Terms for Reprogramming Purposes	<u>V - 23</u>
Preparation of Reprogram Packages	<u>V - 23</u>
Reprogrammings	<u>V - 24</u>
Transfers	<u>V - 25</u>
Other Issues	<u>V - 26</u>
Section 58 Financial Plans and Reports	<u>V - 27</u>
General Requirements	<u>V - 27</u>
Detailed Internal Financial and FTE Plans	<u>V - 27</u>
Due Dates for Financial and FTE Plans and Reports	<u>V - 28</u>
Specific Information Required for Plans	<u>V - 28</u>
Explanation of Variances	<u>V - 29</u>
Section 59 Congressional Directives	<u>V - 30</u>

	Page Number
General	V - 30
Departmental Compliance Policy	V - 30
Information Included in Response Format	V - 31
EXHIBITS	APPENDIX A

SECTION 49 – SUMMARY OF PROCESS

A. General

- 1) Budget execution is the process by which the financial resources made available to an agency are directed and controlled toward achieving the purposes and objects for which budgets were approved. The process involves compliance with both legal and administrative requirements.
- 2) [OMB Circular A-11](#) provides detailed instructions on all aspects of budget execution. The information presented in this *Handbook* is designed to supplement and clarify the instructions contained in [OMB Circular A-11](#).
- 3) The General Accounting Office publication, *Principles of Federal Appropriations Law*, (<http://www.gao.gov/legal.htm>) is a comprehensive reference regarding the basic fundamentals of appropriation law. It discusses the statutes and regulations governing appropriations matters and references significant decisions rendered by the Comptroller General and the courts. It also the use of budgetary resources in terms of availability as to purpose, time and amount. According to this concept, the legality of an expenditure is largely determined by the following criteria:
 - i) the purpose of the expenditure must be proper;
 - ii) the obligation must occur within the time limits applicable to the appropriation; and
 - iii) the obligation must be within the amounts Congress has established.
- 4) Proper budget execution requires compliance with these three principles. The instructions contained in [OMB Circular A-11](#) and this volume of the *Handbook*, if properly followed, will assure that budget execution in the Department of Commerce meets required standards.

B. Legal Framework

- 1) 31 U.S.C. 1301 and 1341 provide the basic legal framework for budget execution. The texts of these sections are included in Volume II of this *Handbook*.
- 2) Section 1301 provides that "appropriations shall be applied only to the objects for which the appropriations were made." A single appropriation account may provide funds for numerous programs and activities, thus providing an agency considerable discretion in spending the money. Nevertheless, agency spending is usually guided by:
 - i) the justifications presented to the appropriations committees; and

- ii) the enacted appropriation bill and accompanying reports. (See Section 59 of this *Handbook* on congressional directives).
- 3) Section 1301 also states that an appropriation in a regular, annual appropriation law remains available only for that fiscal year unless the act "expressly provides that it is available after the fiscal year covered by the law in which it appears" or the appropriation is for rivers and harbors, lighthouses, public buildings or the pay of the Navy and Marine Corps.
- 4) Section 1341 prohibits obligation or expenditure in excess of the amount appropriated and the incurring of obligations in advance of appropriations, except as "authorized by law".

C. Steps in Budget Execution

1) Financial Plans

- i) The agency's financial plan is the first phase of budget execution. The President's Budget is the framework of the initial financial plan and should be internally updated through the various phases of congressional action leading to enactment. OB requires operating units to submit financial plans two weeks after Senate action on the appropriation bill. Final financial plans are due one week after enactment of the bill. Section 58 of this *Handbook* discusses requirements for financial plans submitted to OB. Per [section 120.22 of OMB Circular A-11](#), apportionments/reapportionment requests must be based on financial plans. These plans must also be transmitted with the requests.

2) Apportionments and Reapportionments

- i) Except in a few cases as provided by law, funds contained in appropriations legislation and other funds, (including reimbursements, recoveries of prior year funds, and carryover funds) may not be obligated until they are apportioned. See [section 120.7 of OMB Circular A-11](#) for additional information on exceptions. Apportionment requests prepared by agencies are not valid until OMB approves the apportionment. Usually, the signature of the appropriate OMB official constitutes approval. Agencies then allot the apportioned funds among their operating units or other administrative subdivisions.
- ii) When the level of funds changes (supplemental appropriations, extensions of continuing resolutions, enactment of full year appropriations, etc.), agencies must prepare reapportionment requests and receive OMB approval before obligating the funds.
- iii) Section 51 of this *Handbook* provides more specific information on

apportionments.

3) Reports on Budget Execution

- i) On a quarterly basis, accounting officers prepare and certify an SF 133 Report on Budget Execution and Budgetary Resources for each open Treasury appropriation fund symbol (TAFS). [Section 130 of OMB Circular A-11](#) and Section 53 of this *Handbook* provide instructions for preparation and use of budget execution reports.

4) Other Requirements

- i) For deferral or rescission proposals, there exist procedures for operating units on the preparation of appropriate materials. All operating units in the Department of Commerce estimate and monitor outlays and FTEs. Operating units must meet requirements on the advance notification to Congress on the acquisition or disposal of capital assets and on other congressional directives. Reprogramming and transfer actions follow established processes. These subjects are covered in other sections of this volume of the *Handbook*.

SECTION 50 – ROLES AND RESPONSIBILITIES

A. Government-wide Roles

- 1) The Federal Government has a decentralized financial management apparatus. Major Government-wide roles are played by Congress, the Office of Management and Budget, the Treasury Department, and the General Accounting Office. In addition, agencies have broad responsibility for resource management.
- 2) Congress has enacted a number of laws governing financial management, such as the Federal Managers' Financial Integrity Act of 1982. Congress exercises oversight over Federal programs and agencies and often requests audits and evaluations from the General Accounting Office and other organizations.
- 3) The Office of Management and Budget apportions funds to agencies, monitors agency expenditures and performance, and issues regulations on various financial management activities.
- 4) Agencies have responsibility for executing the budget and managing their resources. They maintain systems of internal control and report to Congress and others on their financial operations.
- 5) The Treasury Department is responsible for cash and debt management, and maintaining central appropriation and fund accounts. It issues Government-wide financial reports during and after each fiscal year.
- 6) The General Accounting Office establishes accounting standards and principles, approves agency accounting systems, reviews Federal programs, and audits the financial statements of Government corporations.
- 7) Exhibit V2A is a table summarizing Government-wide responsibilities.

B. Department of Commerce

- 1) Departmental responsibilities for the execution of the budget are maintained through:
 - i) issuing policies, standards and criteria;
 - ii) reviewing apportionments and approving bureau financial and FTE plans; and
 - iii) evaluating bureau activity through reports, audits and special analyses.
- 2) Departmental responsibilities are exercised primarily through the Office of Budget, which is responsible for:

- i) providing technical assistance to bureaus in preparing financial and FTE plans and apportionments;
- ii) analyzing program and financial plans and apportionments for conformance to justifications as presented to OMB and the Congress, as adjusted for congressional action and subsequent developments;
- iii) reviewing and approving financial plans;
- iv) reviewing and forwarding apportionment requests to OMB for approval;
- v) analyzing reports on the status of financial plans with respect to variances from the plan, and assessing the need for reprogramming;
- vi) preparing and distributing consolidated plans and reports on the financial management of the Department;
- vii) maintaining liaison with OMB and the appropriations committees;
- viii) coordinating the interpretation of objects and purposes for which appropriations are made; and
- ix) clearing and sending reprogramming notifications.

C. Operating Units

1) Heads of Operating Units

- i) Heads of operating units are responsible for:
 - (a) developing systems and procedures consistent with the requirements of this *Handbook*;
 - (b) providing financial and program data upon which financial plans and reports and other requirements can be met;
 - (c) assuring that operations are maintained within the limits of approved financial plans and apportionments and other legal and administrative requirements;
 - (d) providing prior notification to the appropriations committees, through the Chief Financial Officer/Assistant Secretary for Administration (hereafter, Assistant Secretary) and the Director, Office of Budget, of reprogramming actions; and

- (e) obtaining proper clearances prior to proceeding with reprogramming actions.
 - ii) In accordance with the Antideficiency Act (31 U.S.C. 1514), each operating unit must have in place an effective system for the administrative control of funds. Under an effective system, responsibility for over-obligations and over-expenditures is fixed through written delegations of authority indicating how authority is delegated, with a clear explanation of how the funds are to flow from the appropriation level down to the lowest practical administrative level.
 - iii) The administrative funds control system should be differentiated from the accounting system, but fully integrated with it. It should be consistent with legally prescribed accounting procedures including: complete, accurate and timely record keeping; a clearly defined method to ensure that funds are available prior to obligations; periodic reconciliation of records; and year-end review and analysis of transactions. Violations of the Antideficiency Act are subject to administrative and legal penalties.
- 2) Operating Unit Budget Officers
- i) Budget Officers are responsible for:
 - (a) preparing and submitting on a timely basis the financial plans and reports, apportionment requests, reprogrammings and other information and reports outlined in this volume of the *Handbook*; and
 - (b) maintaining liaison with the Office of Budget on the resolution of problems.
- 3) Accounting Officers
- i) Accounting Officers are responsible for preparing, certifying and submitting the Reports on Budget Execution electronically through the Treasury's Federal Agencies' Centralized Trial-balance System II (FACTSII). A hard copy should also be provided to the Budget Coordination and Reports Division (BCRD).
 - ii) The Office of Budget participates in defining accounting requirements for the Department's financial systems. Operating and staff offices should continuously review accounting systems to determine if revisions are needed in financial reporting in order to meet requirements of program and operating management, at both the operating unit and Departmental level, or to accommodate changes in budget and program classifications.

SECTION 51 - APPORTIONMENTS

A. General

- 1) Sections 120 and 121 of [OMB Circular A-11](#) provide detailed instructions on preparing apportionments. The material here supplements those instructions and provides Departmental processes. [Section 185 of OMB Circular A-11](#) provides more specific guidance for credit programs.
- 2) The purpose of apportionments is to prevent agencies from incurring obligations at a rate which would require the appropriation of additional funds for the fiscal year in progress. A single apportionment is made for an entire appropriation or fund account and is prepared on the Apportionment and Reapportionment Schedule (SF 132). A copy of this form is included as Exhibit V3A. [Section 121 of the A-11](#) contains detailed explanations of the line entries on the form.

B. Legal Basis for Apportionment

- 1) The legal basis for apportionment is contained at 31 U.S.C. 1512 (see Volume II). The statute provides that the apportionment:
 - i) will be made to achieve the most effective and economical use of resources; and
 - ii) may be made by time periods (Category A) and/or activities, projects, etc., (Category B).
- 2) When additional resources become available, an apportionable account is reapportioned. Amounts must be apportioned prior to obligations being occurred.

C. Apportionable Accounts

- 1) With few exceptions, all accounts must be apportioned. [Section 120.7 of OMB Circular A-11](#) lists exceptions to apportionment requirements. The majority of the exceptions are exemptions pursuant to 31 U.S.C.1516.

D. Deficiency or Supplemental Apportionments

- 1) A deficiency or supplemental apportionment may be requested under the provisions of 31 U.S.C. 1515 (see Volume II) to fund:
 - i) mandatory pay raises;
 - ii) laws passed by Congress after the budget estimates were submitted; or

iii) an emergency involving the safety of human life, protection of property or the immediate welfare of individuals when an existing appropriation is insufficient to fund amounts required by law.

2) A footnote and statement identical to the examples included in [section 120.41 of OMB Circular A-11](#) must be included with all requests for deficiency or supplemental apportionments.

E. Amounts Proposed for Rescission or Deferral

1) [Section 112 of OMB Circular A-11](#) provides detailed guidance on the reporting and treatment of rescission and deferral proposals. Amounts withheld for rescission or deferral are not apportioned. OMB must transmit special messages notifying Congress of all proposed rescissions or deferrals. These special messages are discussed in section 54 of this *Handbook*. Amounts withheld are reflected on lines 9 and 10 of the Apportionment and Reapportionment Schedule. [Sections 112.15 and 112.16 of OMB Circular A-11](#) explain reapportionment procedures following congressional action or inaction on rescission proposals and deferrals.

2) A reapportionment request to release funds proposed for rescission must be sent to OMB prior to the expiration of the 45 days of continuous session during which Congress must pass legislation in order for a rescission to take effect. If Congress disapproves a deferral reflected on an apportionment, the reapportionment request releasing the funds must be submitted to OMB not later than one day following the enactment of the disapproving legislation.

F. Relationship to Financial Plans

1) Section 120.22 of the A-11 requires that apportionments be based on financial plans. Each request for apportionment or reapportionment must be accompanied by a financial plan supporting the request. The only exception to this requirement is initial apportionments when available funds are severely limited. Operating unit budget officers should obtain prior approval from the Office of Budget to submit initial apportionments without accompanying financial plans. Section 58 discusses the Department's requirements for financial plans and reports.

G. Schedule

1) Operating units prepare apportionment requests per the schedule included as Exhibit V3D and submit them to the Office of Budget via OMB's web-based system. The checklists provided as Exhibits V3B and V3C should be used to assure that requests are properly prepared. After review, the Office of Budget transmits the apportionments to OMB for action. OMB returns the original, including any differences between the request and OMB action, to the Office of Budget. The Office of Budget sends the original to the

operating unit's budget officer, who forwards the original to the appropriate accounting officer. Except as provided by law, funds may not be obligated in the absence of an approved apportionment.

H. Standard Apportionment Procedures

1) Initial Apportionments

- i) The OMB due dates for initial apportionments are as follows:
- ii) August 21st for all accounts where at least a portion of resources becomes available for obligation without congressional action. Such resources include unobligated balances for multi-year and no-year accounts, recoveries, deferrals and reimbursements. If an appropriation has been enacted, all accounts where all budgetary resources result from current action by Congress are also due by this date. Most Department of Commerce accounts have budgetary resources independent of congressional action and are thus subject to the August 21st initial apportionment date.
- iii) No later than 10 calendar days after enactment for all accounts where budgetary resources result from current action by Congress and an appropriation was not enacted in time to meet the August 21st date.
- iv) Narrative explanations of the assumptions used in developing estimates accompany these apportionments. Estimates for unobligated balances carried forward and anticipated recoveries are based on past experience and anticipated obligation rates. Actual unobligated balances will be apportioned when final obligation data from the previous year is reported. Anticipated reimbursements are listed by source in a footnote. Narrative explanations and apportionments are transmitted to the Office of Budget by the date specified in annual guidance. OMB must act by September 10th on initial apportionments submitted by August 21. Initial apportionments for accounts with resources resulting solely from current congressional action must be acted on within 30 calendar days of the approval of the appropriation or September 10th, whichever is later.

2) Apportionments under Continuing Resolutions

- i) In order to avoid agency closures during the absence of enacted full-year appropriations, Congress enacts short-term continuing resolutions (CR) to maintain current Government operations. Guidance on apportioning amounts available under a CR is provided in section 52 of this *Handbook*.

3) Reapportionments

- i) A reapportionment request is submitted to OMB as soon as a change in a previous apportionment becomes necessary due to a change in available resources, with certain exceptions as described below. If the change is the result of approval of legislation providing budget authority after the initial apportionment was made, the request is due to OMB within 10 calendar days of enactment. In other cases (i.e., significant change in reimbursements or recoveries), the request must be made in sufficient time to allow action by OMB before the revised amounts are needed for obligation. Operating units having reapportionment requests requiring signature prior to the end of a quarter, should transmit such requests before the 15th of the last month in the quarter. It is recommended that, if possible, requests be submitted at least one month before funds are needed. Apportionment action for a specified time period may not be changed after the end of the period. Unobligated balances of amounts previously apportioned are available for obligation in later periods within the fiscal year unless specified by OMB. All reapportionment requests must be accompanied by current financial plans and narrative explanations.

4) Automatic Apportionments

- i) [Section 120.38 of OMB Circular A-11](#) authorizes agencies to adjust amounts apportioned without submitting a reapportionment request:
 - (a) Adjustments in actual unobligated balances brought forward (line 1A) up to \$400,000 or two percent of the total budgetary resources, whichever is lower.
 - (b) Amounts of budget authority transfers (line 4A) or balances transferred (line 4C), up to \$400,000 or two percent of the amount of total budgetary resources, whichever is lower.
 - (c) Amounts of indefinite budget authority (line 3A2), spending authority from offsetting collections (line 3D), or recoveries (line 2A) that are realized above or below anticipated amounts, up to \$400,000 or two percent of the amount of total budgetary resources.
- ii) In such cases, operating units should submit requests for pen and ink changes to BCRD on the most recently approved apportionment. BCRD will return the approved apportionments to the budget officer who should then provide a copy to the servicing accounting office. The authority for the automatic apportionment should be cited on the form.
- iii) Exhibit V3B (initial apportionment), V3C (reapportionment), or V3D (credit apportionment) should be used as a checklist in preparing reapportionment requests.

I. Allocation of Apportioned Amounts

- 1) After an agency receives an approved apportionment, it allocates the money among its administrative units, projects, activities, etc. The amount allocated cannot exceed the apportionment. Allocations exceeding apportionments are a violation of the Antideficiency Act.

SECTION 52 – CONTINUING RESOLUTIONS

A. General

- 1) In order to avoid agency closures during the absence of enacted full-year appropriations, Congress enacts short-term continuing resolutions (CR) to maintain on-going Government operations. These short-term appropriations provide amounts available for obligation only during the period specified by the CR or until a full-year appropriation is enacted, whichever is sooner.
- 2) Normally, CRs specify annualized rates at which obligations may be made, rather than definite amounts by account. These annualized rates could be the lower of the current rate or the rate contained in the House-passed version of the appropriation bill. Recently, the annualized rate has been simply the current level, i.e., the amount appropriated for the prior year.
- 3) Traditionally, CRs provide funds for “continuing projects or activities”. In the context of determining the rate for operations under the CR, OMB has interpreted the term "project or activity" to refer to the total appropriation, that is, the budget account level. GAO's view has been consistent with OMB's (see page 8-24 of the Principles of Federal Appropriations Laws, Third Edition, Volume II, issued by GAO).

B. Automatic Apportionments under Continuing Resolutions

- 1) While the annualized levels are established in law by the CR, OMB provides guidance in annual bulletins on the amounts to be made available during the length of the CR. Guidance on automatic apportionments varies from year to year and operating units should follow current guidance from OMB and the Office of Budget. An example of an OMB bulletin on CRs may be found at <http://www.whitehouse.gov/omb/bulletins/fy2006/b06-04.pdf>. The Office of Budget will notify operating units of the OMB guidance upon receipt.
- 2) These bulletins provide detailed instructions on calculating the annualized amounts provided by the CR. These bulletins act as the mechanism for OMB to automatically apportion amounts made available during the CR. For accounts which meet the criteria set in the bulletins, the written apportionments do not have to be submitted to OMB unless requested by OMB examiners.
- 3) The amount automatically apportioned by OMB is generally the lower of:
 - i) the percentage of the year covered by the CR (fixed rate), or
 - ii) the historical seasonal rate of obligations for the period of the year covered by the CR

- 4) Appendix V11 provides the format for computing the two rates and the amount automatically apportioned. Operating units will prepare these worksheets for each account appropriated funds in the prior year and forward them to the Office of Budget within one week after enactment of the CR.

C. Exceptions to Automatic Apportionments

- 1) If the amounts automatically apportioned by OMB are insufficient to sustain current operations at minimal levels, operating units may request exceptions to the automatic apportionment for additional funds. A request for additional funds to be apportioned would be supported to avoid furloughs. Exceptions to cover contractual costs would be considered if the result would be detrimental to the program. Only a limited number of written apportionment requests are approved by OMB, therefore, operating units must submit supportable facts to the Office of Budget proving that while all appropriate actions to reduce costs have been taken, a funding shortfall still exists. Operating units must be able to demonstrate that all necessary actions to reduce or defer other expenses have been taken prior to submitting a request for additional funds.
- 2) Supporting documentation to be provided should include the following:
 - i) specific impacts if the request is not approved;
 - ii) financial plans by object class at the automatically approved rate and the requested higher rate;
 - iii) estimates of additional costs which would be incurred due to delayed actions caused by the lower funding level;
 - iv) descriptions of activities reduced in response to the restricted spending; and
 - v) daily rate of essential operations.

Additional requirements will be identified based on the nature of the account.

- 3) Until the apportionment for the higher level is approved, the operating unit must limit spending to remain within the funding level provided by the automatic apportionment.

D. Operations during a Continuing Resolution

- 1) As CRs are temporary appropriations, the final funding levels for the fiscal year are unknown. During congressional action, levels in pending bills may be reduced or across-the-board rescissions may be added. Therefore, during CRs, operating units should function at minimal levels until the regular appropriation is enacted.

E. Anomalies in the Continuing Resolution

- 1) There may be instances in which funds made available under standard CR provisions would have detrimental and irreparable impacts to specific programs. For example, it is imperative that the Bureau of the Census receive sufficient funds for meeting the Constitutional mandate of taking a decennial census. In cases such as these, OMB and Congress may consider including anomalies to the CRs.
- 2) When Congress announces that a CR will be passed pending final action on the annual appropriations bills, which could possibly be communicated in August or early September, OMB will request agencies to identify those programs requiring special consideration. Traditionally, OMB and the Congress include anomalies only in dire situations. The Office of Budget will contact operating units for the Department's response to OMB on the need for anomalies. Appendix V12 provides the format for requesting anomalies.

SECTION 53 – REPORTS ON BUDGET EXECUTION

A. General

- 1) [Section 130 of OMB Circular A-11](#) provides detailed instructions on preparing the SF 133 Report on Budget Execution and Budgetary Resources. The material here supplements the instructions in [OMB Circular A-11](#). [Section 185 of OMB Circular A-11](#) provides more specific guidance for credit programs.

B. Reporting Procedures

- 1) The SF 133 is prepared on a quarterly basis by the accounting officer for each operating unit and signed by an officer designated by the head of the agency. The operating units submit the SF 133 budget execution information electronically through FACTS II. A hard copy is provided to BCRD.

C. Coverage

- 1) The SF 133 (or approved substitute) is required for each open account, whether or not the account is apportioned. Expired accounts are included on the same form as the unexpired account(s) carrying the same appropriation title.
- 2) The entries on the "Budgetary Resources" portion of the SF 133 (lines 1-7) correspond to lines 1-7 of the latest approved apportionment. The second part of the form, "Status of Budgetary Resources", shows the extent to which available resources have been obligated. The final section of the form shows the relationship between obligations and outlays. [Section 130 of OMB Circular A-11](#) provides detailed explanations of line entries.

D. Verification of Data

- 1) Agency budget officers compare the budgetary resources, obligations, and balances data to the latest approved apportionment. It is recommended that a comparison of the SF 133 and SF 132 data prior to the finalization of the SF 133 be made to ensure apportioned limitations are not exceeded. If limitations are exceeded, appropriate financial transactions can then be made prior to the release of the final SF 133. Exhibit V5C provides a spreadsheet format for this comparison.

SECTION 54 – RESCISSIONS AND DEFERRALS

A. General

- 1) Congress established reporting requirements for rescissions and deferrals in the Congressional Budget and Impoundment Control Act of 1974. The Balanced Budget and Emergency Deficit Control Act changed deferral procedures to reflect Supreme Court Decisions regarding vetoes by one house of Congress and overruling deferrals made for policy reasons. [Section 112 of OMB Circular A-11](#) provides guidance on: preparing special and supplementary messages on rescission and deferral proposals; the establishment of reserves; and preparing apportionment requests for deferrals and rescission proposals. Section 51 of this *Handbook* discusses apportionment of deferrals and rescission proposals. The guidance supplements [OMB Circular A-11](#) instructions on special messages and reserves.

B. Impoundments

- 1) The term impoundment refers to any Executive action or inaction that withholds or precludes the obligation or expenditure of budget authority. The two types of impoundments are rescissions and deferrals. Per Title X of the Congressional Budget and Impoundment Control Act, proposals of such actions require the President to transmit a special message to the Congress.

C. Rescissions

- 1) A rescission is enacted legislation which cancels previously enacted budget authority before the authority would otherwise lapse. A rescission may be proposed by the President or a member of Congress. A rescission proposed by the President must be approved by both houses of Congress within 45 days of continuous session in order to take effect.

D. Deferrals

- 1) A deferral is any action or inaction by an officer or employee of the United States Government that temporarily withholds, delays, or effectively precludes the obligation or expenditure of budget authority. Funds deferred are intended to be obligated before their expiration. A deferral occurs unless both houses of Congress pass a resolution disapproving the deferral.

E. Cancellations

- 1) In contrast, a cancellation refers to a proposal by the President to reduce enacted budget authority before the authority would otherwise lapse that is not subject to Title X of the Congressional Budget and Impoundment Control Act. Such funds cannot be withheld

from obligation pending congressional action on the proposal.

F. Reserves

- 1) Reserves may be established under 31 U.S.C. 1512 solely to:
 - i) provide for contingencies; or
 - ii) achieve savings made possible through changes in requirements or greater efficiency of operations.

G. Cases Requiring Special Messages

- 1) The President must transmit a special message to Congress to propose a rescission or deferral.
- 2) A rescission message is required whenever the President determines that:
 - i) all or part of any budget authority will not be required to carry out the full objectives of the program;
 - ii) all or part of any budget authority limited to a fiscal year is to be reserved from obligation for the entire fiscal year; or
 - iii) budget authority should be rescinded for fiscal policy or other reasons.
- 3) A deferral message is required whenever funds provided for a specific purpose or project is deferred. Agencies must report all amounts deferred, whether or not the deferral is reflected on an apportionment. If an agency has made a policy decision to obligate apportioned funds at a slower pace than that intended by Congress, it is a reportable deferral.

H. Contents of Special and Supplementary Messages and Reports

- 1) Operating units submit electronically the materials discussed in [section 112 of OMB Circular A-11](#) to the Office of Budget. Materials are prepared in the formats shown in [OMB Circular A-11. Exhibits 112A-112D of OMB Circular A-11](#) provide guidance for special types of rescissions and deferrals.
- 2) Each special message contains the information listed in [section 112.7 of OMB Circular A-11](#).
- 3) OMB prepares reports on the status of all rescissions and deferrals. Generally, OMB can complete these reports without further assistance from the Department. However,

operating units should notify the Office of Budget if all or portions of agency deferrals are released.

I. Reviewing Deferrals

- 1) Bureaus should review all deferrals periodically so that amounts deferred for part of the year may be released in time to be used before the end of the year. Deferrals of funds which expire at the end of the year should be reviewed in sufficient time to determine if a rescission should be proposed before the beginning of the fourth quarter. A fourth quarter rescission of expiring funds is proposed only in exceptional cases.

SECTION 55 – REPORTING AND MONITORING FEDERAL OUTLAYS

A. General

- 1) The purpose of outlay reporting and monitoring is to reduce the Government's interest costs. Reliable outlay estimates enable Treasury to borrow only amounts actually needed to finance Government activities.
- 2) Outlays are “payment[s] to liquidate an obligation (other than the repayment to the Treasury of debt principal)” and are “a measure of Government spending” ([section 20.6 of OMB Circular A-11](#)). [Section 20.6 of the A-11](#) provides detailed information on outlays in addition to documenting disbursements that are not considered outlays.
- 3) [Section 135 of the A-11](#) provides instructions on monitoring Federal outlays. The Department of Commerce must prepare monthly plans and submit periodic reports and revisions to OMB and the Department of Treasury. The information provided in this chapter provides Department-specific guidance for complying with OMB requirements.
- 4) OMB has developed a web-based application for the electronic submission of outlays by the Departments. Access to the web-based application is limited to Office of Budget users and does not directly impact the operating units. However, the Office of Budget revised the process for the reporting of outlays by the operating units. The revised process is discussed below.

B. Reporting Requirements

- 1) Operating units submit outlay plans and reports for each account to the Office of Budget for 20CY and 20BY. Operating unit submissions are due approximately five days before the OMB and Treasury due date. Due dates will be communicated to the operating units via e-mail. An initial plan and three updates are required annually as outlined in [section 135.9 of OMB Circular A-11](#). The Office of Budget provides budget officers with a format for the initial outlay plan and all required updates via email. Appendix A of this volume shows the format for the plan.
- 2) Outlay estimates are based on the current estimate of the amount to be disbursed in the fiscal year. The totals are consistent with the President's budget until appropriations are enacted and/or actual prior year data is known. In cases where congressional action is not complete, but some actions are almost certain to occur (e.g., both the House and Senate bills have made the same mark-ups, but the conference report has not yet been acted upon), operating units should discuss the basis of the outlay estimates with the Office of Budget prior to preparing a revised outlay plan. The monthly estimates of the totals reflect a realistic assessment of upcoming events, recent trends, and past history of outlay patterns for each account. A statement explaining the assumptions used and any unusual or special circumstances accompanies each outlay plan.

3) Key points regarding the outlay updates are:

- i) All relevant data is contained within one workbook that will be provided to the operating units via e-mail approximately two or three weeks prior to the OMB submission date. This includes the Monthly Treasury Statement (MTS) reports and the 20CY and 20BY outlay estimate sheets. Updates by the operating units must be done by using the workbook in accordance with instructions provided in the “Instructions” tab of the workbook.
- ii) The prior months with actual data will be linked to the MTS reports in the outlay workbook by the Office of Budget. These data will be visible to the operating units in the “MTS Reports” and “MTS Reports Totals” tabs of the workbook, but cannot be changed.
- iii) Certain cells within the workbook are password protected to prevent breaks in the linkages between the MTS reports and the 20CY and 20BY reports and to prevent corruption of the formulas.
- iv) The outlay total (e.g., outlay control) operating units are expected to reflect in their submissions are provided in the workbook. A delta column is provided to assist the operating unit in updating their monthly estimates. Generally, operating units should not submit their updates to the Office of Budget until the delta column equals 0. In cases where the operating unit has reason to change the estimates from the control provided by the Office of Budget, an explanation must be provided in the workbook justifying the delta.
- v) Operating units are strongly encouraged to follow the steps outlined in the “Guidance” tab of the workbook and to refrain from modifying the structure of the workbook.
- vi) In developing monthly estimates, operating units should take into consideration:
 - (a) months with three paydays, and
 - (b) months that have spendouts of large contracts and disbursements of grant funds.

C. Timing of Submissions

1) October 1st - Initial Plan

- i) The initial plan includes data for the monthly estimates of the fiscal year beginning October 1st. Generally, the totals for the upcoming year reflect the 20CY as reported in the 20BY President’s Budget *Appendix* or as amended in mid-session review.

2) Early to mid-January - 1st Update

- i) The first update includes actual data through December and the plan for the balance of 20CY. Monthly estimates for 20BY are also required. Differences in totals from the initial plan may be due to changes in prior year balances, congressional action on 20CY, revised outlay rates included in the President's Budget, or enacted supplementals, etc. Monthly outlay patterns may change from the initial plan due to more realistic assessments of spending patterns and trends.

3) Early to mid-April - Update

- i) The second outlay update includes actual data through March and monthly estimates from April through September 20CY. Monthly estimates for 20BY are also required.

4) July - Final Update

- i) The timing of the final update is based on the date of the mid-session review. 31 U.S.C. 1106 (see Volume II) requires that the mid-session review be submitted to Congress by July 16th. This final update shows cumulative totals through May and estimates for the balance of the current year. Monthly estimates for 20BY are also required.

SECTION 56 – CAPITAL ASSETS

- A. The general provisions of the annual appropriations act traditionally include the following requirement: “That the Secretary of Commerce shall notify the Committees on Appropriations at least 15 days in advance of the acquisition or disposal of any capital asset (including land, structures and equipment) not specifically provided for in this Act or any other law appropriating funds for the Department of Commerce.”
- 1) Under the Department of Commerce financial management policy, the reporting threshold value below which personal property is not considered a capital asset is \$200,000 for NOAA and \$25,000 for the remaining operating units within the Department. There is no threshold for real property which is always considered a capital asset.
- B. In preparing for the acquisition or disposal of a capital asset, operating units should provide the Office of Budget details of the transaction and any information relevant in determining if the transaction has been specifically provided for in law. The operating unit’s budget officer will review the transaction and either prepare a congressional notification pursuant to the general provision (which will go through Departmental and OMB clearances) or seek Office of Budget concurrence that the transaction does not require notification. Note that this process is in addition to, not in lieu of, any other required Departmental clearances, e.g., approval by the Department for a major construction project is necessary before notifying Congress of land acquisition to further that project.
- 1) Once a notification has been submitted to the appropriations committees, the bureau may acquire or dispose of the asset after 15 calendar days have passed unless an objection is received. It is not the Department’s policy to wait for an affirmative response (unlike reprogrammings).

SECTION 57 – REPROGRAMMINGS/TRANSFERS

A. General

- 1) Operating units should prepare notification packages immediately upon realizing the necessity of moving funds within an account and between accounts. Only under emergency conditions will consideration be given to requests forwarded during the last quarter of the fiscal year. Exhibits V7E and F have the most recent reprogramming and transfer general provisions

B. Definitions of Terms for Reprogramming Purposes

- 1) Reprogramming - Shifting funds within an appropriation or fund account to use for different purposes than those contemplated at the time of appropriation. An example would be obligating budgetary resources for a program, project, or activity different from the one originally planned.
- 2) Transfer - Shifting funds between appropriation accounts to cover shortfalls or unforeseen events.
- 3) Program, Project, or Activity (PPA) - Programmatic detail of the appropriation account as shown in the Program and Financing Schedule in the President's Budget *Appendix* or as provided in the House, Senate and conference reports accompanying the appropriation act.
- 4) Notification of Reprogramming (or Transfer) - A letter and attachment to the House and Senate Appropriations Committees informing Congress of Commerce's intent to reprogram or transfer funds as required by the general provisions in the annual appropriation act.
- 5) Relocation - An office or organization move that has a significant impact on the organization, mission, customers, or employees affected.

C. Preparation of Reprogram Packages

- 1) All materials, with the exception of the signed memorandum from the bureau head to the Department's CFO/ASA, must be provided electronically to the Office of Budget. All reprogramming letters addressed to OMB and Congress are signed by the Department's CFO/ASA on behalf of the Department of Commerce, and are on the DOC CFO/ASA letterhead.
- 2) A reprogramming request package consists of:

- i) A signed memorandum / letter from the bureau head (or deputy) to the Commerce CFO/ASA briefly highlighting the request. No request will be processed by the Department without a signed hard copy of this letter by the bureau head. (For a sample memorandum, see Exhibit V7A);
- ii) A letter to the Deputy Associate Director, Housing, Treasury and Commerce Division, Office of Management and Budget (OMB). This letter requests OMB clearance to transmit a notification to Congress of the Department's intention to reorganize the affected operating units. The reprogramming has to be cleared by OMB before letters to the Hill are signed. (Sample letter is shown on Exhibit V7B);
- iii) A draft letter to the chairmen and ranking members of Senate and House Committees on Appropriations (sample letter is shown on Exhibit V7C);
- iv) Notification of proposed changes (sample notification is shown on Exhibit V7D);
- v) Accompanying backup material, tables, charts, lists, maps supporting the notification; and
- vi) Current and proposed organization charts in cases of reorganizations.

D. Reprogrammings

1) Strictly Legal Criteria for When a Reprogramming Notification is Required

- i) Regardless of funding amount, notification is required when any action is proposed that:
 - (a) Creates new programs;
 - (b) Eliminates a PPA;
 - (c) Increases funds or personnel for a PPA for which funds have been denied or restricted by Congress;
 - (d) Relocates an office or employees;
 - (e) Reorganizes or renames offices, programs, or activities; or
 - (f) Contracts out or privatizes any functions or activities currently performed by Federal employees.

- ii) If the reprogramming exceeds \$500,000 or 10% of the PPA, whichever is less, notification is required when an action:
 - (a) Augments an existing PPA;
 - (b) Reduces by 10% either funding or numbers of personnel for an existing PPA or numbers of personnel;
 - (c) Results from savings, including a reduction in personnel (RIF), which would change an existing PPA.

2) Additional Policy Criteria for Notification of Reprogramming

- i) In addition to the above legal criteria, the Department of Commerce policy is to provide a reprogramming notification in the following circumstances:
 - (a) When the action could be deemed sensitive by the members of the appropriation committees or its staff, regardless of the funding level (examples include moving an office that has a high level of congressional oversight; or changing, especially increasing, the number of political positions in an agency);
 - (b) When a relocation, opening, or closing would affect a member's district. (examples include moving an office from one district to another; or closing an office in a member's district);
 - (c) When Federal employees would be affected by a RIF;
 - (d) When Federal employees would be relocated, including moves within commuting areas; and
 - (e) When an operating unit changes its name, mission, or organizational structure.

E. Transfers

- 1) Pursuant to the Commerce General Provision in the appropriation act, no more than 5% of any appropriation made available in the current fiscal year may be transferred between appropriations, but no appropriation may be increased by more than 10 percent. Per current statute, funds appropriated to the National Oceanic and Atmospheric Administration may not be transferred to other Department of Commerce operating units.
- 2) The 5% and 10% restrictions apply to activities, programs, and earmarks identified within appropriations.
- 3) The Commerce general provision also allows transfers to cover costs of the care and

protection of loan collateral or grant property. The funding sources of transfers for these explicit purposes include total budgetary resources available to the Department.

- 4) There are additional authorities in the general provisions covering all agencies within the Subcommittee and in the general provisions specific to Commerce which allow for transfers to cover costs resulting from, or to prevent, personnel actions taken in response to funding reductions included in the current appropriation act.
- 5) The same criteria described above for reprogramming notifications are applicable to transfers as well.

F. Other Issues

- 1) Operating units should contact the Office of Budget on questions related to the need for a reprogramming or transfer notification to the Hill.
- 2) Although there have been exceptions, the Department's policy has been not to implement a reprogramming or transfer if one or both the House and Senate Appropriations Committees object.

SECTION 58 – FINANCIAL PLANS AND REPORTS

A. General Requirements

- 1) All operating units in the Department of Commerce are responsible for maintaining detailed internal financial and FTE plans and submitting summary plans and reports to the Office of Budget. The requirements outlined in this section are intended to ensure Departmental compliance with legal and administrative requirements.
- 2) There is a requirement in 31 U.S.C. 1514 requiring each agency to have a system of administrative control of funds. [Section 120.22 of OMB Circular A-11](#) requires that all requests for apportionment or reappropriation be supported by financial plans. [Section 120.26 of OMB Circular A-11](#) notes that OMB may request submission of an FTE plan.
- 3) The primary purposes of financial plans are to:
 - i) ensure that obligations are made in accordance with plans presented in the budget justifications and items included in the enacted appropriation bill;
 - ii) assist in determining to what extent items included in committee reports but not specified in bill language should be funded;
 - iii) assess the need for congressional notification of reprogramming actions;
 - iv) assist in managing and controlling the obligation of funds so as to avoid a deficiency;
 - v) identify the timing of unusual events; e.g., a major procurement or staffing increase resulting from a new program effort; and
 - vi) assess the effects of continuing resolutions or program reductions.

B. Detailed Internal Financial and FTE Plans

- 1) Operating units are responsible for maintaining detailed financial and FTE plans which reflect monthly obligations and FTE usage by program, project, and activity. For purposes of financial plans, a program, project or activity is generally defined as the level reported in the program and financing schedule in the President's *Appendix* which should be consistent with the level reported on Exhibit 5 of the latest congressional justification. It may also be defined to include the most specific budget item identified in 1) the enacted appropriation bill and the 2) the level provided in the House, Senate or conference reports and explanatory statements on the appropriation bill.
- 2) The level of detail which meets the definition of a program, project, or activity varies

among operating units and may change with each annual appropriation act. In cases where Congress has included bill language listing specific projects the operating unit is expected to fund, the items included in the detailed internal financial plans are more specific.

- 3) Operating units are responsible for developing procedures for preparing and monitoring detailed financial and FTE plans. Preliminary detailed financial and FTE plans should be developed when the budget justifications are sent to Congress and amended, as necessary, through each step of the appropriation process. This will enable operating units to prepare promptly final detailed and summary plans reflecting the enacted appropriation.

C. Due Dates for Financial and FTE Plans and Reports

- 1) Summary financial and FTE plans and reports are forwarded to the Office of Budget per the following schedule:
 - i) Preliminary summary financial and staffing plans should be completed within two weeks after Senate action on the annual appropriation bill.
 - ii) Final summary financial and FTE plans are due one week after enactment and should be submitted with the operating unit's request for reapportionment.
 - iii) Reports covering the first quarter are due on January 16th.
 - iv) Monthly reports are due on the 16th of the following month for each month in the second through fourth quarters.
 - v) The final end-of-year reports are due on October 26th.
- 2) In addition, all requests for reapportionment will be accompanied by revised financial plans. Interim financial and FTE plans may be required if a long-term continuing resolution is enacted in lieu of an appropriation act. The Office of Budget will notify operating units if such interim plans are required.

D. Specific Information Required for Plans

- 1) Information Required of all Operating Units
 - i) Financial Plans
 - (a) The two financial plans required of all operating units are:
 - (1) monthly and cumulative totals summarized by account; and

- (2) monthly and cumulative totals at the program, project, and activity level as described earlier in this section. Additional detail may be requested as necessary to report funding plans and actuals for projects whose funds are specifically cited in the appropriation act or for emergency activities whose funds are made available in supplemental acts.
 - (b) Operating units should refer to Exhibits V8A and V8C for format purposes. Each operating unit provides an electronic copy containing applicable stub entries. Operating units may use a different electronic format if prior approval is received from the Office of Budget. Each appropriation account and fund type (such as direct, offsetting collections, etc.) is to be shown separately.
 - (c) The financial plans must support the category designations and quarterly distribution reported on the most recently apportionment.
- ii) FTE Plans
- (a) The FTE plans present the estimated usage for the entire operating unit in one report based on the funds available for the fiscal year. Exhibit V8D provides a sample format. The Office of Budget updates the format annually to break out 20CY pay periods by month. On the initial plan submitted to the Office of Budget, the "Last Plan" line agrees with the 20CY President's Budget. Line 3a is the total of lines 1a and 2a; line 3b is the total of lines 1b and 2b, etc. The "Revised Plan" line will reflect estimates based on actual funding levels made available for the fiscal year. When reports are made against the plans, actual data must agree with the Federal Civilian Employment SF-113A form and the Full-Time Equivalent/Work-Year Civilian Employment SF-113G form.

E. Explanation of Variances

- 1) Variances of 10% or more between planned and actual obligations and FTEs are explained in detailed narrative when reports are submitted.

SECTION 59 – CONGRESSIONAL DIRECTIVES

A. General

- 1) Specific directives or requests to agencies are often included in the House and Senate reports accompanying appropriation bills. These directives may require agencies to provide reports on the progress of specified activities or to provide additional information on identified topics. They indicate some of the areas of congressional concerns or interests within the agencies. Under normal circumstances, only requests included in both House and Senate reports or adopted by reference in the conference report will be subject to action. In the event that particularly sensitive or critical items are requested in either the House or Senate reports, the Office of Budget will confer with operating units to ensure that these reports are considered appropriately.
- 2) During the appropriations process, the Office of Budget maintains a list of all congressional directives by operating unit with the members' deadlines. Operating units should also review committee reports and appropriation language to determine if any items should be deleted or added to the list. Operating units prepare responses in accordance with the instructions and schedule provided by the Office of Budget.
- 3) The Office of Budget reviews all responses and prepares written comments as necessary. Bureaus make the changes and send revisions to the Office of Budget, who then forwards a set of responses to OMB for clearance. After OMB approval, the Office of Budget forwards the responses to the appropriations committees.

B. Departmental Compliance Policy

- 1) Though report language is not legally binding, agency non-compliance with report language has sometimes resulted in Congress inserting similar or more restrictive language into the following year's appropriation act. Bill language is law and, thus, legally binding. A common sense approach also dictates that the Department makes reasonable attempts to maintain good relations with the appropriations committees since the availability of budgetary resources needed to carry out programs is dependent on their favorable action. Therefore, with few exceptions, the Department's policy is to comply with congressional directives unless compliance would be illegal or contradict Administration policy.

C. Information Included in Response

- 1) Responses to congressional directives describe, in sufficient detail, the steps being taken to implement the item, including the scheduled date of implementation and any barriers to successful completion of the item. If the operating unit proposes noncompliance, the response should state the reasons; the actions which the agency plans to take; and the steps needed to carry out the action.

D. Format

- 1) The format for congressional directives is included as Exhibit V9A. The language of the directives must be exactly as included in the report or the enacted appropriation bill except for obvious typographical errors. If an item is covered in more than one source and the language is identical, cite each source in a single report. If the language is not identical, but addresses the same topic, treat them as separate responses and note that the item is also addressed in another response, citing the title of the other response.

BUDGET EXECUTION

VOLUME V - APPENDIX A

EXHIBITS

Assumptions shown in the exhibits are for illustrative purposes only.

APPENDIX A - BUDGET EXECUTION EXHIBITS

Assumptions shown in exhibits are for illustrative purposes only.

TABLE OF CONTENTS

<u>Exhibit</u> <u>Number</u>	<u>Page Number</u>
Exhibit V2A.....	A - V - 1
Exhibit V3A.....	A - V - 2
Exhibit V3B.....	A - V - 6
Exhibit V3C.....	A - V - 7
Exhibit V3D.....	A - V - 10
Exhibit V3E.....	A - V - 11
Exhibit V5A.....	A - V - 12
Exhibit V5B.....	A - V - 13
Exhibit V5C.....	A - V - 14
Exhibit V6A.....	A - V - 15
Exhibit V7A.....	A - V - 16
Exhibit V7B.....	A - V - 17
Exhibit V7C.....	A - V - 18
Exhibit V7D.....	A - V - 20
Exhibit V7E.....	A - V - 21
Exhibit V7F.....	A - V - 22
Exhibit V8A.....	A - V - 23
Exhibit V8B.....	A - V - 24
Exhibit V8C.....	A - V - 25
Exhibit V8D.....	A - V - 26
Exhibit V9A.....	A - V - 27

	<u>BUDGET EXECUTION/ACCOUNTING</u>	<u>AUDIT EVALUATION</u>	<u>FINANCIAL MANAGEMENT SYSTEMS</u>
Congress	Act on supplementals, deferrals, rescissions, and, if required, reprogrammings. Monitor programs (ad hoc).	Establish reporting requirements. Conduct oversight. Request audits and reviews from GAO and others.	Create appropriations account structure. Enact statutes governing money, finance and management.
OMB	Apportion budget authority, Initiate and process deferrals and rescission requests. Review supplementals. Monitor agency performance. Process reports of violations of authority. Project outlays.	Oversight by budget examiners. Mandate evaluations by agencies.	Approve agency regulations for administrative control of funds. Issue Circulars on procurement, ADP, and current Financial problems.
DEPT/AGENCY	Execute budget. Monitor execution. Report to central agencies. Manage daily operations.	Conduct interal audits and evaluations. Respond to OMB & Congressional inquiries.	Design and implement financial management systems, prepare financial reports for internal & external purposes.
TREASURY	Government's banker. Cash & debt management. Exercise Fund control. Match agency outlays against spending authority.	None	Maintain government-wide accounting systems. Produce government-wide financial reports.
GAO	Review and report on impoundment. Conduct claims settlements.	Review federal programs & operations. Audit financial statements of government corporations & audit selected Congressional activities.	Prescribe accounting principles & standards. Approve agency accounting systems. Develop standard terms for federal fiscal, budgetary & program-related data. Identify & specify the needs of Congress for fiscal, budgetary and program data.

FY 2009 Apportionment
Funds provided by Public Law 110-XXX

Line No	Line Split	Bureau/ Account Title / Cat B Stub / Line Split	Previous Approved	Prev Footnote	Agency Request	Agency Footnote	OMB Action	OMB Footnote	Memo Obligations
		Department of Commerce							
		Operating Unit:							
		Account:							
		TAFS: 13-XXXX /X							
BEA	DISC	BEA Category							
RptCat	NO	Reporting Categories							
AdjAuth	NO	Adjustment Authority provided							
		BUDGETARY RESOURCES							
		Unobligated balance:							
1A		Unob Bal: Brought forward, October 1 (+ or -)							
1B		Unob Bal: Adjustment to SOY balance brought forward, October 1 (+ or -)							
		Recoveries of prior year unpaid obligations:							
2A		Recoveries of prior year unpaid obligations, Actual							
2B		Recoveries of prior year unpaid obligations, Anticipated							
		Budget authority \ Appropriation:							
3A1		BA: Appropriation, Actual							
3A2		BA: Appropriation, Anticipated							
3B		BA: Borrowing authority							
3C		BA: Contract authority							
		Budget authority \ Spending authority from offsetting collections (gross):							
		Earned:							
3D1A		BA: Offsetting Collections - Earned, Collected							
3D1B		BA: Offsetting Collections - Earned, Change in receivables from Fed sources							
		Change in unfilled customer orders (+ or -):							
3D2A		BA: Change in unfilled customer orders - Advance received							
3D2B		BA: Change in unfilled customer orders - Without advance from Fed sources							
3D3		BA: Offsetting collections - Anticipated							
3D4		BA: Offsetting Collections - Previously unavailable							
		Expenditure transfers from trust funds:							
3D5A		BA: Expenditure transfers from trust funds - Collected							
3D5B		BA: Expenditure transfers from trust funds - Change in receivables							
3D5C		BA: Expenditure transfers from trust funds - Anticipated							
		Nonexpenditure transfers, net:							
4A		Nonexpenditure transfers, net: Actual transfers, BA							
4B		Nonexpenditure transfers, net: Anticipated transfers, BA							
4C		Nonexpenditure transfers, net: Actual transfers, unob balances							
4D		Nonexpenditure transfers, net: Anticipated transfers, unob balances							
5		Temporarily not available pursuant to Public Law ___ (-)							
		Permanently not available:							
6A		Permanently not available: Cancellations of expired or no-year accounts (-)							
6B		Permanently not available: Enacted reductions (-)							
6C		Permanently not available: Capital transfer and redemption of debt (-)							
6D		Permanently not available: Other authority withdrawn (-)							
6E		Permanently not available: Pursuant to Public Law ___ (-)							
6F		Permanently not available: Anticipated for rest of year (-)							
7		Total budgetary resources	0		0		0		
		APPLICATION OF BUDGETARY RESOURCES							
		Apportioned:							
8A1		First quarter							
8A2		Second quarter							
8A3		Third quarter							
8A4		Fourth quarter							
8C		Apportioned for future fiscal years							
9		Budgetary Resources: Withheld pending rescission (pursuant to 2 U.S.C. 683)							
10		Budgetary Resources: Deferred							
11		Budgetary Resources: Unapportioned balance of revolving fund							
12		Total budgetary resources	0		0		0		

Submitted _____ Date _____

Approved _____ Date _____

Mark Weatherly
Deputy Associate Director
Housing, Treasury & Commerce Division

FY 2009 Apportionment
Footnotes Approved By OMB

Footnotes for Apportioned Amounts

Footnotes for Budgetary Resources

No footnote data found at this time.

FY 2009 Apportionment
Agency Footnotes

Footnotes for Apportioned Amounts

Footnotes for Budgetary Resources

No footnote data found at this time.

FY 2009 Apportionment
Previously Approved Footnotes

Footnotes for Apportioned Amounts

Footnotes for Budgetary Resources

No footnote data found at this time.

CHECKLIST FOR INITIAL APPORTIONMENTS

DATE:

OPERATING UNIT:

ACCOUNT NAME:

ACCOUNT SYMBOL:

1 Has Budget Officer initialed a copy of the request?

2 Are the Account Name and Symbol correct?

3 Are the Agency and Bureau names correct?

4 Are amounts shown in column two only?

5 Does line 2a equal line 9 and 10 from prior year's final S.F. 133 or if it is a preliminary estimate is it identified as "est." in the stub column?

6 If lines 1d and/or 2b are shown, are they footnoted to explain each transfer in and out?

7 If entries are shown on lines 3a, 3b, and/or 3c are they footnoted to show a breakdown of reimbursements or receipts by agency?

8 Are significant variations between requested quarterly amounts explained?

9 Do entries on lines 1 through 6 equal the entry on line 7?

10 Do the entries on lines 8 through 11 equal the entry on line 12?

11 Does line 7 equal line 12?

12 Is a quarterly and monthly financial plan supporting the request attached to the request?

13 If a financial plan is not attached, has the Office of Budget given an exemption?

14 Are the original and two copies included for transmittal to the Office of Budget?

CHECKLIST FOR RE-APPORTIONMENTS

Unobligated Balance

1A. Brought forward, Oct 1

Are amounts shown consistent with lines 9 and 10 of previous fiscal year final SF 133?

Are entries identified as “E” for estimate or “A” for actual in the line split column as appropriate?

Recoveries of Prior Year Obligations

2A. Actual

Does the amount shown agree with actual recoveries on latest SF 133?

2B. Anticipated

Does the amount shown reflect a realistic estimate of additional recoveries anticipated?

Budget Authority

3A1. Appropriation

Does the amount shown equal total appropriations enacted to date including supplementals?

If under CR, does the amount shown reflect the rate made available by the CR per OMB guidance?

3D1A - 3D2B. Collected

Does the amount shown agree with actual data on latest SF 133?

3D3. Anticipated for rest of year

Does amount shown reflect current estimate of anticipated collections expected for the remainder of the year?

Is there an attachment showing a breakdown of the reimbursements by agency?

Nonexpenditure transfers, net:

4A-D. Nonexpenditure Transfers, net

Does the amount shown reflect actual transfers to and from the account authorized under existing legislation?

Does the entry include a footnote that lists the accounts which the transfers have been made and the specific dollar amount with the statutory authority identified (ie U.S. Code cite)?

Do funds transferred maintain their original period of availability?

Is the SF 1151 or a copy of the Transfer Authorization Report included?

Does the amount shown reflect unobligated balances actually transferred?

Does the amount shown reflect current estimate of any balances, other than balances of new budget authority, to be transferred under existing legislation?

5. Temporarily Not Available Pursuant To P.L.:(-)

Does the amount shown reflect funds not available for obligation pursuant to a specific law? If so, is the public law containing the restriction cited in the stub column?

Permanently Not Available

6B. Enacted Rescissions

Does the amount shown reflect actual rescissions? Is a footnote included that references the Public Law? If multiple rescissions, is there a footnote that cites all applicable Public Laws and sections?

6E. Pursuant to Public Law

Does the amount shown reflect balances not available for new obligations pursuant to the appropriations act? Is there footnote referencing the relevant Public Law?

Apportioned

8A. Category A-

Are amounts shown requested by quarter? Do apportioned amounts for expired quarters remain unchanged?

8B. Category B-

Are projects specifically identified in the appropriations law included in category B?

Other Items

Are memo obligation entries reflected by quarter for actual obligations incurred? Do amounts agree with latest SF 133? Is the date the obligations identified in memo-obligation block in the same row as the BEA category?

If the reapportionment request is because of changes to lines *1a, 2a, 3A2, 4a, 4c*, does the apportionment qualify for a pen and ink change per section 120.38 of A-11? Section 120.38 indicates that adjustments up to \$400K or 2% of total resources, whichever is lower, can be made without submitting an apportionment to OMB.

Are quarterly and monthly financial plans attached and are they consistent with the level of detail found on Exhibit 5? Are financial plans consistent with quarterly amounts reflected on line 8? Are direct and reimbursable funds categorized and totaled separately?

If this is an initial apportionment, is “Amount on latest 132” column blank?

Is 1% footnote included for apportionments containing appropriations realized per Section 120.21 of A-11?

Has the SF-132 been validated and is an explanation for the need for the reapportionment included?

proposed apportionment? Crosswalks should reflected the multiple categories on the apportionment (direct, reimbursable and category B). This will ensure the balances reported remain available for the purpose intended.

Is the BEA category reported as DISC for discretionary and MAND for mandatory?

Is the OMB signature block included at the bottom of the apportionment?

Are the correct Public Laws or U.S. Codes cited? Do carryover apportionments cite the Public Law that the balances were originally appropriated under?

For apportionments under CR authority, is the seasonal vs. fixed rate worksheet included?

Standard Footnotes

Rescissions

These amounts are rescinded pursuant to Section ____, Public Law ____, signed ____.

Transfers

Pursuant to ____ USC ____ (or Sec. ____, Public Law ____, if US Code is not available) funds of ____ are being transferred to (or from) agency name, bureau name, account name and symbol for purpose.

One Percent Limitation Authority

“Pursuant to 31 USC 1553 (b), not to exceed one percent of the total appropriation for this account is apportioned for the purpose of paying legitimate obligations related to cancelled accounts.”

Timing

Initial apportionments are due to BCRD by August 5th.

Reapportionments are due to BCRD 3 days after budgetary resources change (appropriation, supplemental appropriation, or rescission).

Quarterly reapportionments are due no later than the 15th of the month prior to the close of a quarter.

CHECKLIST FOR CREDIT REAPPORTIONMENTS

This checklist supplements instruction provided in OMB Circular A-11. For further detailed guidance, refer to PART 5 of OMB Circular A-11.

1 Does the line 3A of the Program Account contain the subsidy amounts specified in the appropriations language?

Does line 3B of the Direct Loan Financing Account consist of the total loan authority minus the subsidy amounts displayed in the Program Account? Is an Explanation of Borrowing Authority Crosswalk provided 2 detailing the Loan Authority, Loan Subsidy Rates, and the Borrowing Authority? (See Attachment 1)

Does line G1B of the Guaranteed Loan Financing Account contain the total limitation on the loan guarantee 3 program specified in the appropriations language?

For Direct Loan Financing Accounts, are reasonable estimates for expected collections of credit subsidy from the Program Account and expected repayments from borrowers included on line 3D3? Are actual collections 4 (repayments) reflected on line 3D1A and in agreement with the latest S.F.133?

Program Account for guarantees planned to be committed for the year and the interest earned from Treasury included on line 3D3?

TIME SCHEDULE FOR APPORTIONMENTS

<u>TYPE OF ACTION</u>	<u>DUE DATE</u>
Apportionment to cover budget authority not resulting from current action of Congress, including permanent appropriations, public enterprise funds, unobligated balances, estimated recoveries, and estimated reimbursements	August 21
Initial apportionment for accounts where all budgetary resources depend on Congressional action	The later of August 21 or 10 calendar days After approval of the appropriation
Reapportionment where unobligated balances apportioned differ from (over/under) balances reported on final S.F. 133 by \$200,000 or 1% of total budgetary resources, whichever is lower	As soon as data become available
Reapportionment to release funds proposed for rescission when the 45 calendar days of continuous session have expired without completion of action by both Houses of Congress	Before expiration of 45 days
Passage of legislation disapproving a deferral	One day after enactment
Other reapportionments, including changes in gross obligations resulting from an increase in level of anticipated reimbursements	As soon as need is apparent

**FY 20XX CONTINUING RESOLUTION ISSUE
THAT REQUIRES A LEGISLATIVE FIX**

Appropriations Bill: _____

Agency Name: _____

Bureau Name: _____

Account Title: _____

Issue (brief title): _____

Date: _____ (Indicate the date that the anomaly would need to be included in a CR, in other words, when the "problem" kicks in (e.g., November 17th or December 31st, etc). This will aid in identifying the anomalies that need to be sent forward for CR durations of varying lengths, up to a CR extending through March 1st.)

Description of the Issue:

Appropriation Status (in millions of \$)

FY 20CY Request: _____

FY 20CY House (latest stage action): _____

FY 20CY Senate (latest stage action): _____

FY 20PY Enacted level: _____

Examiner/Branch: _____ **Phone:** _____ **Date:** _____

Computation of Seasonal and Fixed Rates
 during the Continuing Resolution
 through November 16, 20XX*
 Bureau/Account Name

	Comments
<u>Seasonal rate calculation</u>	
Number of calendar days, October 1 through November 16	47
Number of calendar days through December 31	92
Percentage of first quarter covered by CR	51.09% Computed
	Source: Line 8, 1st quarter FY 20PY SF-
Direct obligations through December 31, 20PY	391,180 133
Percentage covered by CR	51.09% Linked from above
Estimated obligations through November 16, 20CY	199,854 Computed
	Source: Line 7, final FY 20PY SF132 until final FY 20PY SF133 is released wih actual
Total FY 20PY budgetary resources	2,019,695 data
Computed seasonal rate	9.90% Computed
 <u>Fixed rate calculation</u>	
Number of calendar days, October 1 through November 16	47
Number of calendar days in the fiscal year	365
Computed fixed rate	12.88% Computed
	In this example, the 9.9% seasonal rate is lower than the 12.9% 9.90% fixed rate.
<u>Lower of the fixed or seasonal rate</u>	
 <u>Computing amount available under the CR</u>	
	The formula for determining the annualized funding level provided by the CR will be provided in the public law.
Annualized amount provided by CR	2,019,695
Lower of the fixed or seasonal rate	9.90% Computed
Amount automatically apportioned through November 16, 20CY	199,950 Computed
 <u>Reporting data on the automatic apportionment</u>	
Amount automatically apportioned through November 16, 20CY	199,950 Computed
	Computed - Enter amount on line 3 of the
Annualized level provided by CR	2,019,695 apportionment
	Computed - Enter amount on line 5 of the
Amount unavailable under the CR	-1,819,745 apportionment

*The period of the CR is stated in the public law and may be extended in subsequent amendments.

SF 132 to SF 133 Reconciliation

Reapportionment		Yes
Required?		No

_____ Quarter FY _____

Bureau:

Account:

	SF-132 Date: _____	SF-133 Date: _____	<u>Variance</u>	<u>Bureau Explanation</u>
BUDGETARY RESOURCES				
Unobligated balance, start of year			0	
Recoveries of prior year unpaid obligations				
Actual			0	
Anticipated			0	
Budget authority			0	
Offsetting collections				
Actual			0	
Anticipated			0	
Nonexpenditure transfers			0	
Temporarily not available			0	
Permanently not available			0	
Total budgetary resources	0	0	0	
STATUS OF BUDGETARY RESOURCES				
Obligations				
Category A				
Direct			0	
Reimbursable			0	
Category B				
Project 1			0	
Project 2			0	
Project 3			0	
Unapportioned balance of revolving fund			0	
Unobligated balance			0	
Total status of budgetary resources	0	0	0	

COMM A-11 FY B COMM-BY

DEPARTMENT OF COMMERCE
OUTLAY ESTIMATES FOR FY 20BY
(dollars in thousands)

	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Agency Total	2008 Mid-Session Review	Difference from MSR	Comment
MTS Line Code 1691:																
Operating Unit																
Account #1	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000	12,000	0	
Account #2	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000	12,000	0	
Account #3	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000	12,000	0	
TOTAL Operating Unit	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000	36,000	0	
Offsetting Receipts	500	500	500	500	500	500	500	500	500	500	500	500	(9,800)	(9,800)	0	
SUB-TOTAL DOC	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	26,200	26,200	0	
MEMORANDUM: (Non-add, Included above)																
Brief Description of Large Differences	50	50	50	50	50	50	50	50	50	50	50	50	600			

SAMPLE

MEMORANDUM FOR (Name of CFO)
Chief Financial Officer and
Assistant Secretary for Administration

FROM: Operating Unit Head / Deputy

SUBJECT: Reprogramming Proposal for ECT

Attached please find the Bureau of Environmental Commerce and Trade's (ECT) draft reprogramming notification to be provided to OMB and Congress. This proposal will make changes to ...

Thank you for your assistance.

Attachments

[Note: The purpose of this memorandum is to indicate that the head of the bureau, or deputy, has approved the proposed reprogramming, reorganization or transfer.]

Mr. Mark Weatherly
Deputy Associate Director
Housing, Treasury and Commerce Division
Office of Management and Budget
Washington, D.C. 20503

Dear Mr. Weatherly:

Enclosed for your concurrence is a letter notifying Congress of the Department of Commerce's intention to reallocate FY 20XX resources within the Bureau of Environmental Commerce and Trade (ECT). ECT's primary goals in proposing this reorganization are to streamline operations, promote efficiency, and place resources where they are most effective. ECT estimates the costs of implementing this restructuring at \$634 thousand.

In its operations, ECT wishes to streamline existing business processes and programs, right size the organizational structure, and redeploy resources where the benefit for America will be greatest.

[Add one or two more paragraphs justifying the proposal.]

One million dollars and 20 FTE will be reprogrammed from [line/program] to [line/program] and to [line/program]. No federal employees will lose their jobs. We believe that this proposal responds to the need to streamline and right-size operations. We ask your approval so that we may submit it at once to the appropriations subcommittees.

Also enclosed is a copy of a letter that will be sent to the appropriate Chairmen and Ranking Members following receipt of the Office of Management and Budget's concurrence.

Please contact me at (202) 482-4951 if you have any questions.

Sincerely yours,

[Name of CFO]
Chief Financial Officer and
Assistant Secretary for Administration

Enclosure

The Honorable Barbara A. Mikulski
Chairman
Subcommittee on Commerce, Justice,
Science and Related Agencies
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Madam Chairman:

Enclosed is a Bureau of Environmental Commerce and Trade (ECT) reprogramming notification as required by Section 505 of the Consolidated Appropriations Act, 2008 (P.L. 110-61). This notification addresses a reallocation of resources with the primary goal of streamlining operations, promoting efficiency, and placing resources where they are most effective.

In its operations, ETC wishes to streamline existing business processes and programs, right size the organizational structure, and redeploy resources where the benefit for America will be greatest [add one or two paragraphs justifying the proposal].

One million dollars and 20 FTE will be reprogrammed from [line / program] to [line / program] and to [line / program]. No Federal employees will lose their jobs. We believe that this reprogramming responds to the need to streamline and right-size operations.

Please contact me at (202) 482-4951 if you have any questions. Thank you for your continued support of the Department of Commerce and its programs.

Sincerely yours,

(Name of CFO)
Chief Financial Officer and
Assistant Secretary for Administration

Enclosures

LIST OF ADDRESSES

The Honorable Barbara A. Mikulski
Chairman
Subcommittee on Commerce, Justice,
Science and Related Agencies
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Madam Chairman:

The Honorable Richard C. Shelby
Ranking Member
Subcommittee on Commerce, Justice,
Science and Related Agencies
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Senator Shelby:

The Honorable Alan B. Mollohan
Chairman
Subcommittee on Commerce, Justice,
Science and Related Agencies
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

The Honorable Rodney P. Frelinghuysen
Ranking Member
Subcommittee on Commerce, Justice,
Science and Related Agencies
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Representative Frelinghuysen:

DEPARTMENT OF COMMERCE

Notification of Proposed Changes
 [Insert Date]

OPERATING UNIT: Bureau of Environmental Commerce and Trade

APPROPRIATION: Operations and Administration

PROPOSAL: Reallocate resources within the Bureau of Environmental Commerce and Trade (ECT) to right-size the organization, streamline existing business processes and programs, and provide the greatest benefit for America.

SHIFT IN RESOURCES: (dollars in 000's):

	\$ Amount Increase/(Decrease)	FTE Increase/(Decrease)
Program 1		
Program 2		
Program 3		

I. Objective

In its operations, ECT wishes to streamline existing business processes and programs, right size the organizational structure, and redeploy resources where the benefit for America will be greatest.

[One or two paragraphs justifying the proposal.]

\$1 million and 20 FTE will be reprogrammed from [line/program] to [line/program] and to [line/program]. No federal employees will lose their jobs.

II. Personnel

No positions or current personnel will be affected by this action.

III. Effects of Reprogramming

The proposal will allow the agency to meet the statutory requirements of section 704 of the Public Works and Economic Development Act of 1965 as reauthorized under EDA's Reauthorization Act of 2004.

This reprogramming will not affect EDA's continual commitment to promote innovation, competitiveness, and prepare American regions for growth and success in the worldwide economy. EDA investments are focused on locally-developed, regionally-based economic development initiatives that achieve the highest return on the taxpayers' investment and directly contribute to economic growth. EDA enhances regional competitiveness and supports the long-term development of regional economies.

IV. Implementation

The proposed transfer will be effective 15 days after notification to Congress.

Reprogramming Authority Appropriations Citation for FY 2003 (SEC. 605)

SEC. 605 (a): None of the funds provided under this Act, or provided under previous appropriations Acts to the agencies funded by this Act that remain available for obligation or expenditure in fiscal year 2003, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditure through a reprogramming of funds which:

- (1) creates new programs;
 - (2) eliminates a program, project, or activity (PPA);
 - (3) increases funds or personnel by any means for any project or activity for which funds have been denied or restricted;
 - (4) relocates an office or employees;
 - (5) reorganizes offices, programs, or activities; or
 - (6) contracts out or privatizes any functions or activities presently performed by Federal employees;
- unless the Appropriations Committees of both Houses of Congress are notified 15 days in advance of such reprogramming of funds.

SEC. 605 (b): None of the funds provided under this Act, or provided under previous appropriations Acts to the agencies funded by this Act that remain available for obligation or expenditure in fiscal year 2003, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditure for activities, programs, or projects through a reprogramming of funds in excess of \$500,000 or 10 percent, whichever is less, that:

- (1) augments existing programs, projects, or activities;
 - (2) reduces by 10 percent funding for any existing program, project, or activity, or numbers of personnel by 10 percent as approved by Congress; or
 - (3) results from any general savings from a reduction in personnel which would result in a change in existing programs, activities, or projects as approved by Congress;
- unless the Appropriations Committees of both Houses of Congress are notified 15 days in advance of such reprogramming of funds.

Transfer Authority Appropriations Citation for FY 2003

SEC. 204: Not to exceed 5 percent of any appropriation made available for the current fiscal year for the Department of Commerce in this Act may be transferred between such appropriations, but no such appropriation shall be increased by more than 10 percent by any such transfers: Provided, That any transfer pursuant to this section shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

SEC. 205: Any costs incurred by a department or agency funded under this title resulting from personnel actions taken in response to funding reductions included in this title or from actions taken for the care and protection of loan collateral or grant property shall be absorbed within the total budgetary resources available to such department or agency: Provided, That the authority to transfer funds between appropriations accounts as may be necessary to carry out this section is provided in addition to authorities included elsewhere in this Act: Provided further, That use of funds to carry out this section shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

Department of Commerce
(OPERATING UNIT NAME)
(Account Name and Type)*
Monthly Financial Plan and Report
(Dollar amounts in thousands)

	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug</u>	<u>Sept</u>	<u>Total</u>
Monthly													
(ACCOUNT NAME) Plan													
Actual													

Cumulative

(ACCOUNT NAME) Plan													
Actual													

* Type of account is either Direct, Reimbursable, Trust Fund, Fee Collections or Offsetting receipts

Department of Commerce
 (OPERATING UNIT NAME)
 (Account Name and Type)*
 Monthly Object Class Plan and Report
 FY 20CY
 (Dollar amounts in thousands)

Monthly Activity	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug</u>	<u>Sept</u>	<u>Total</u>
---------------------	------------	------------	------------	------------	------------	------------	------------	------------	-------------	-------------	------------	-------------	--------------

11.1 Full-time per sal
Plan

Actual

11.3 Other than ftp
Plan

Actual

11.5 Other pers comp
Plan

Actual

Etc., through object appearing in budget appendix.

Cumulative Activity	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug</u>	<u>Sept</u>	<u>Total</u>
------------------------	------------	------------	------------	------------	------------	------------	------------	------------	-------------	-------------	------------	-------------	--------------

11.1 Full-time per sal
Plan

Actual

11.3 Other than ftp
Plan

Actual

11.5 Other pers comp
Plan

Actual

Etc., through object appearing in budget appendix.

* Type of account is either Direct, Reimbursable, Trust Fund, Fee Collections or Offsetting receipts

Department of Commerce
 (OPERATING UNIT NAME)
 (Account Name and Type)*
 Monthly Financial Plan by Activity
 FY 20CY
 (Dollar amounts in thousands)
 Obligations

Monthly Activity	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug</u>	<u>Sept</u>
1. (Activity Name) Plan												
Actual												
2. (Activity Name) Plan												
Actual												
3. (Activity Name) Plan												
Actual												
Account Total Plan												
Actual												
Cumulative Activity	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept
1. (Activity Name) Plan												
Actual												
2. (Activity Name) Plan												
Actual												
3. (Activity Name) Plan												
Actual												
Account Total Plan												
Actual												

* Type of account is either Direct, Reimbursable, Trust Fund, Fee Collections or Offsetting receipts

Department of Commerce
 (OPERATING UNIT NAME)
 FY 20CY FTE AND STAFFING PLAN

	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug</u>	<u>Sept</u>	<u>Total</u>
FTE USAGE (STRAIGHT TIME)	(9/27- 10/24)	(10/25- 11/25)	(11/23 12/19)	(12/20- 1/30)	(1/31- 2/27)	(2/28- 3/26)	(3/27- 4/23)	(4/24- 5/21)	(5/22- 6/18)	(6/19- 7/30)	(7/31- 8/27)	(8/28- 9/24)	

1. FULL-TIME PERM FTE

- a. Last Plan.....
- b. Actual.....
(Line 2B, 113G)
- c. Revised Plan.....

2. Other

- a. Last Plan.....
- b. Actual.....
(Line 3B, 113G)
- c. Revised Plan.....

3. TOTAL FTEs

- a. Last Plan.....
- b. Actual.....
(Line 1B, 113G)
- c. Revised Plan.....

CEILING STAFF-ON-BOARD (ACTUAL FROM 113A)

4. FULL-TIME PERMANENT EMPLOYMENT

- a. Last Plan.....
- b. Actual.....
(Line 5, 113A, Col .A)
- c. Revised Plan.....

5. OTHER EMPLOYMENT

- a. Last Plan.....
- b. Actual.....
- c. Revised Plan.....

* NOTE: This exhibit is to be attached with 113G. Also, carry out plan two decimal places.

Department of Commerce
Congressional Directives
20CY Appropriation Bills
Operating Unit

[double space]

Senate Report No. 99-425

Mississippi Institute for Technology Development p. 9

[double space]

Directive

[Copy the exact language or the directive from the report or enacted appropriations bill.]

[double space]

Actions Taken or Proposed

[Provide an appropriate response.]