

VOLUME III – BUDGET FORMULATION

CHAPTER 5 – THE PRESIDENT’S AND CONGRESSIONAL BUDGET

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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/doi.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.