

## Chapter III BUDGET FORMULATION

### Section 4 - The President's and Congressional Budget

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## Chapter III BUDGET FORMULATION

### Section 4 The President's and Congressional Budget

This section contains instructions for operating units to use in supporting the preparation of the President's budget request to the Congress. It also contains instructions for preparing the Department's Congressional budget submission.

#### A. Submission Schedules and Responsibilities

The President's budget request and the Congressional budget justification are due to Congress by the first Monday in February. The Administration forwards all materials associated with the President's budget proposal by this submission deadline.

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 the Office of Management and Budget (OMB). DAOs 203.1 and OMB Circular A-11, Section 22.2, contain additional instructions for communicating with the Congress about budget matters.

#### B. Introduction to the President's Budget

The President's budget request to Congress consists of a single volume. OMB produces it from information that departments and agencies provide. The single volume of the President's budget contains information designed to be useful to the general public, to policy makers, and to the Congress. It contains information on the following:

1. The President's budget includes the President's budget message, along with an overview of the Administration's budget proposals. It explains how spending proposals relate to national needs, to agency missions, and to basic programs. It presents summary tables, estimated receipts, and the President's tax program.
2. The President's budget (more commonly known as the "budget appendix") contains the 20BY budget estimates. The budget appendix shows the President's proposals for each account with any budget activity during the 20PY, 20CY, or 20BY fiscal years. The budget appendix includes:
  - a. proposed appropriation language;
  - b. budget schedules;
  - c. legislative proposals;
  - d. narrative explanations of proposed activities; and
  - e. general provisions applicable to a number of accounts or agencies.
3. The President's budget contains special analyses that highlight specific program areas. Topics generally include such things as Federal credit programs and government-wide efforts in civil rights and in research and development.

4. The President's budget contains historical tables that provide data on budget receipts, outlays, surplus/deficit, and Federal debt covering extended time periods (in many cases going back to 1940). The historical tables include various aggregations of budget components in current prices, constant prices and as percentages of the budget totals and gross national product.
5. The President's budget describes the Administration's efforts and programs for improving the management of Federal agencies. Productivity improvements, administrative streamlining, program delivery improvements, cost reductions, cash and credit management reforms, information technology systems upgrades, and other topics are discussed.

Operating units may obtain copies of the President's budget from the Government Printing Office.

### **C. General Instructions for the President's Budget**

Operating units prepare the data and the print materials that OMB needs to direct the production of the budget appendix and the companion sections of the President's budget.

OMB Circular A-11 contains specific instructions for preparing budget data and print materials for the budget appendix. Departmental instructions appear in the remainder of this section of the Handbook. OMB and the Department provides additional guidance on specific subjects as events warrant.

OMB derives budget data that it needs to produce the budget appendix from data that the Department or its operating units enter into OMB's MAX budget system (MAX).

Operating units do not submit to OMB information related to the production of the budget appendix, including information in electronic form, until the Budget Coordination and Reports Division (BCRD) or others in the Office of Budget have cleared it for release. BCRD assists operating units in preparing accurate budget appendix data and in resolving data problems. Generally operating units forward print materials and any related written information that they prepare to support the budget appendix to BCRD once they have prepared it; BCRD then sends the print materials or written information to OMB.

### **D. Specific Instructions for the President's Budget**

The Department's contribution to the preparation of the President's budget consists of two separate components: computer materials and print materials. These support OMB's preparation of the budget appendix and the related sections of the President's budget.

#### **1. Computer Materials for the MAX Budget System (MAX)**

OMB operates the MAX budget system (MAX), an electronic system for collecting and controlling budget data from departments and agencies. MAX instructions and data requirements appear in Circular A-11, Section 79.

Occasionally the instructions and data requirements for the MAX change. Effective with the entries for the FY 91 President's budget, for example, OMB changed the structure of the budget database. OMB instructed departments and agencies to classify budgetary resources according to Bipartisan Budget Agreement categories (e.g.,

mandatory or discretionary). This change illustrates the importance of consulting the current version of Circular A-11 each year before attempting to use the budget system.

OMB derives most of the budget data needed to produce the budget appendix and the other sections of the President's budget from information contained in MAX. For example, data from MAX Sections P (Program and Financing Schedules), O (Object Class Schedule), G and H (Federal Credit Data) appear in the appendix. Other MAX data sections appear in the Budget Accounts Listing and other summary tables in the President's budget.

BCRD and most operating units of the Department have electronic access to the MAX. Accurate data entry is important. The data becomes an official part of the President's budget proposals and plans. The MAX contains edit features that can identify data entry mistakes, including mistakes 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.

Each year, OMB establishes a cut-off date after which agencies can no longer enter data into the MAX. OMB staff can enter data for approximately one week after the agency cut-off date. Operating units should make sure that their entries are complete and correct before the agency cutoff date.

## **2. Print Materials for the Budget Appendix**

Operating units prepare print materials for the budget appendix. Print materials consist of narrative information, such as appropriation language. They also include a Narrative Statement of Program and Performance for each account. Operating units generate print materials by updating and correcting, as appropriate, reprinted galleys of the budget appendix that OMB provides in preliminary form each year. Operating units should consult Circular A-11, Section 95 for instructions for preparing print materials.

BCRD will notify operating units of OMB due dates for galley submission as well as corresponding BCRD due dates. Operating units will submit corrected galleys to BCRD in time to be reviewed and submitted to OMB before the impending deadline.

## **E. Introduction to the Congressional Budget Submission**

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.

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.

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).

## **1. Submission Instructions and Deadlines**

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.

The Office of Budget provides operating units each year with submission deadlines for drafts and finals of their Congressional submission.

## **2. Justifications, Exhibits, and Backup Exhibits**

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 also reflect the final OMB allowances.

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.

The exhibits that are neither part of the formal Congressional submission nor defined as backup exhibits are as follows:

- a. Priority Ranking of Program Changes (Exhibit 4);
- b. Outyear Bridge Table (Exhibit 21);
- c. Appropriation requiring authorizaing legislation (Exhibit 29);

The exhibits that serve as backup for the Congressional submission are as follows:

- a. Summary of Reimbursable Obligations (Exhibit 6);
- b. Program and Performance: Reimbursable Obligations (Exhibit 11);
- c. Summary of Outyear Changes Requested (Exhibit 20);
- d. Outlay Analysis Table (Exhibit 22);
- e. Schedule of Permanent Positions (Exhibit 26); and
- f. Summary of Funding and Staffing (Exhibit 30).

## **3. Other Materials**

There are several exhibits that are specifically mandated for the Congressional submission that are not part of either the Secretarial or the OMB submission. These are as follows:

- a. Appropriation Summary Statement (Exhibit 31);
- b. Justification of Proposed Language Changes (Exhibit 32);
- c. Appropriation Language and Code Citations (Exhibit 33);
- d. Consulting and Related Services (Exhibit 34);
- e. Periodicals, Pamphlets, and Audiovisual Services (Exhibit 35); and
- f. Average Grade and Salaries (Exhibit 36).

#### **4. The Commerce Budget-in-Brief**

The Commerce Budget-in-Brief is produced by the Office of Budget from materials that operating units prepare. 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 Justification of Adjustments to Base (Exhibit 9). 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 President's budget 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, by operating unit, budget authority, outlays, full-time equivalent (FTE) employment, end of year on-board permanent positions and ATB increases. The Budget-in-Brief contains narratives that discuss each operating unit's basic mission, Performance Goals and Measures, Summary of Appropriation, Budget Year changes, and program increase details. These narratives are followed by tabular ATB increases (materials summarizing resource levels and a tracking table from the current year appropriation to the President's Budget Year request). The final section of the Budget-in-Brief includes a summary of authorizing legislation required to implement the President's proposals, a detailed summary and a short glossary of budget terms.

The Office of Budget distributes copies of the Budget-in-Brief to all operating units, to OMB, and to Congressional staff.

#### **5. Quantities to Submit**

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.

Operating units produce and submit to BCRD 125 copies of their final Congressional submissions. The Census Bureau and Economic and Statistical Analysis Bureau produce and submit an additional ten copies. All operating units submit to BCRD five copies of their final backup exhibits.

As mentioned above, each year the Office of Budget informs operating units of the submission deadlines for drafts and finals of the Congressional submission.

## **F. Instructions for the Congressional Submission's Justifications and Exhibits**

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. Specific exhibit-by-exhibit instructions for the Congressional justifications and exhibits.

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.

### **1. General Instructions**

Operating units should comply with these general rules when preparing their Congressional submissions and when supporting the production of the President's budget:

- a. The 20CY baseline is the enacted 20CY budget or the latest Congressional action, rather than the President's 20CY budget request to Congress;
- b. Exhibits report dollar requirements for specific programs, projects, and activities not just in terms of their obligations, but in budget authority as well;
- c. Unless otherwise identified, "obligations" means direct obligations, that is, total obligations minus offsetting collections;
- d. "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;
- e. An obligation value is reported only if it is different from its corresponding budget authority value; and
- f. "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);

### **2. Reporting Personnel Data Instructions**

The Congressional submission's exhibits report a variety of personnel data in response to the various needs of the readers. In particular:

- a. Generally the exhibits report both full-time equivalent employment and permanent positions (the full-time equivalent employment entry may be omitted if it's identical to the entry for permanent positions);
- b. "Permanent positions" in the Congressional submission's exhibits means total authorized positions; and
- c. Unless explicitly requested, personnel data that the exhibits report mean only those associated with direct obligations. Exceptions to this instruction include the

following: personnel data appearing on "Average Grades and Salaries" (Exhibit 36) and "Schedule of Permanent Positions" (Exhibit 26) include reimbursable positions.

## **G. Summary Materials**

- a. **Table of Contents (Exhibit 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.  
  
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)** 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)** This exhibit provides the Bureau with an opportunity to summarize their budget request in terms of Bureau 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. Bureaus must discuss their budget request in terms of the Department's Strategic Plan.
- d. **Performance Goals and Measures (Exhibit 3A)** This exhibit is the primary location where most information related to the integration of budget performance is provided. The exhibit provides a summary of the Bureau's performance goals, associated measures, targets and resources available to the Bureau to achieve its stated goals and measures. Bureaus should show a ten year target history: the four prior years, the current year, the budget year and four outyears. Actual funding data are also displayed for all available fiscal years. The dollar figures represent obligations by performance goal. Funding amounts within each performance goal are further broken down by the Bureau's program accounts and activities as cited in the Budget in Brief. Information technology (IT) funding amounts and FTE amounts are also displayed for each performance goal.

The exhibit should include the following information for each performance goal: Corresponding Strategic Goal, Rationale of Performance Goal, Program Increases that apply to the performance goal, Program Evaluations, Cross-cutting Activities, External Factors and Mitigation Strategies and Explanations of each measure.

**Corresponding Strategic Goal:** The strategic plan sets forth the general goals of the agency, and describes the relationship between these goals and the performance goals. The strategic goal that corresponds to the described performance goals should be stated here.

**Rationale of Performance Goal:** A basis or reason for the performance goal must be stated here. If a new goal is added a discussion that provides some context for the new goal is needed.



**Program Increases that apply to this performance goal:** INSERT LIST AND AMOUNT OF THE INCREASES THAT APPLY TO THE RESPECTIVE PERFORMANCE GOAL.

**Program Evaluations [RELATED TO THIS GOAL]:** Include a summary of the findings and recommendations of the program evaluations completed pertaining to the performance. Program evaluations may cover assessments of the manner and extent to which programs achieve intended objectives, assessments of program implementation policies, practices and processes, or summarized findings and recommendations from other analyses or studies completed during the previous fiscal year. It should also be noted if no evaluations were completed and why.

**Cross-Cutting Activities:** This area should identify those programs or activities that are being undertaken with other agencies to achieve a common purpose related to this performance goal.

**External Factors and Mitigation Strategies:** Each factor should be described in this area, indicating how achievement of the goal could be directly and significantly affected by the factor. Strategies to overcome these factors should be included in this area.

**Explanation of Each Measure:** Discuss any changes to the 20BY targets. Reasons for changes must be explained thoroughly and have a sound basis. [i.e. impact of 20FY final budget or impact of 20FY performance discussed in the above section]. Please provide the basis or reason for setting the 20BY target. A discussion that provides some context for the new target is needed. If this is a new performance measure, in addition to the 20FY target please provide the appropriate reason for setting the target as cited above for 20FY target. If this is a new performance measure and it is cited that the target was set based on "historical performance" please provide the historical data for the previous fiscal years.

## **H. Appropriation Accounts Materials**

- e. **Summary of Resource Requirements (Exhibit 5)** 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.
- 1) The first section tracks FTE, positions, direct obligations, budget authority and appropriations from the 20CY President's budget to the Bureau's 20BY estimate. (For Bureaus 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:
    - 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.
    - Adjustments-to-base (ATBs) include uncontrollable cost changes.
    - 20BY base is the 20CY President's budget plus adjustments-to-base.
    - 20BY estimate represents the resources requested for 20BY and is the total of the 20BY base plus the 20BY program changes.

2) 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:

- 20PY Estimate
- 20CY President's Budget
- 20BY Base
- 20BY Estimate
- Increase / (Decrease) over 20BY Base

Additionally, any adjustments such as transfers, financing from prior years, fee collections, etc., should be included in the Adjustments to Obligations section.

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, Exhibits 18 for 20CY or for 20BY, are submitted or the Office of Budget has approved a variation from the appendix detail.

f. **Summary of Financing (Exhibit 7)** 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.

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.

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.

g. **Adjustments-to-Base (Exhibit 8)** 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:

- represent the cost of the same level of effort as in 20CY;
- result from actions outside the control of Bureau management;
- be supported by specific documentation that provides a basis for the estimates; and
- 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).

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.

- h. **Justification of Adjustments-to-Base (Exhibit 9)** This exhibit details and justifies the amounts requested on Exhibit 8. Assumptions about factors such as retirement plan participation rates, health insurance costs, and life insurance costs are consistent throughout the explanations.

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 Bureaus.

In computing ATBs, Bureaus 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) would be rounded to 8 (or \$8,000), while 6.5 would be rounded to 6. Calculated rates should be rounded to three decimal points, (i.e., .051 or 5.1%). Rates provided by external sources will not be rounded.

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 Bureaus calculate standard ATBs using electronic spreadsheets (see Worksheets tab) available from BCRD. This will ensure consistency among all Bureaus 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.

- i. **Transfers** - Justifications for transfers must identify the Bureaus 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.

Narrative example: 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** - Adjustments will include uncontrollable cost changes unique to specific Bureaus. Examples of ATBs in this category are non-recurring items requested in the 20BY 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 Bureau may need to restore this reduction to the budget authority request to maintain the same program level.

Narrative example: Funds of \$57,000 requested for 20CY data processing activities will not be required in 20BY.

In 20CY, the budget authority request 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.

- iii. **Financing** - This category would identify financing of the proposed funding 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.

Narrative example: In 20BY, this Bureau 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** - Bureaus should include the cost of annualization of 20CY pay raises.

Narrative example: 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.

In addition, OMB Circular A-11 requires that estimates of 20BY pay raises in budget submissions be tied to the Employment Cost Index (ECI)-based national schedule adjustment and locality pay. The rates will be applied to the General Schedule, Foreign Service, Executive Schedule, the Senior Executive Service, and wage grade employees. These rates will be published by OMB and will be provided as part of the annual ATB guidance. 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.

Narrative example: 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** - 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. Bureaus should also include an adjustment to salaries to reflect the 20BY pay raise. See Worksheet B for more specific instructions and back-up format.

Narrative example: 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) Within-grade increases** - Within-grade increases reflect the net cost of such increases that will be earned in 20BY. The salaries requested for within-grade increases reflect the amount of step increases scheduled less the amount that will not be earned because of turnover. The cost of step increases lost due to turnover also reflects the average step above step 1 of the personnel not receiving step increases because of separation. This average step should be based on data from personnel reports. Bureaus should compute a turnover rate based on 24 months of

data (April 20PY-2 through March 20PY) obtained from the Monthly Report of Federal Civilian Employment (Standard Form 113-A). See Worksheet C-1 for computing turnover rates.

Salaries used in the computations should reflect the 20BY pay rates. The gross estimated number of step increases should be based on data from personnel reports indicating next dates of eligibility for each employee. As an alternative, Bureaus may use a standard model (see Worksheet C2) to estimate the number of within-grade increases scheduled to be earned. Data used in this model may be obtained from personnel reports provided with the ATB annual guidance.

Cost increases for benefits are limited to those items which necessarily increase with a pay increase such as the Civil Service Retirement System (CSRS), the Federal Employees' Retirement System (FERS), Thrift Savings Plan (TSP), Old Age, Survivors and Disability Insurance (OASDI), Medicare and life insurance. Health benefit costs do not increase with pay, therefore, they should not be included in computations. Estimates for benefits should be based on 20BY rates. Worksheet C-3 provides the format for the calculation of this ATB.

For those Bureaus under pay banding, the average rate over the preceding five-year period of within-grade increases to total salaries will be used to calculate the 20BY ATB.

Narrative example: An increase of \$31,975 is required to cover the cost of within-grade step increases.

**(d)** Changes in compensable days - 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 seven-year period. (See the section on Estimating Employment Levels, Compensation, Benefits, and Related Costs.) The number of compensable days in FY 2004 is 262, one more than 2003. FY 2005 has 261; FYs 2006 and 2007 have 260. Therefore, ATBs for a change in compensable days will be requested for 2004, 2005, and 2006.

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.

Narrative example: 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.

**(e) Civil Service Retirement System (CSRS)** - 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 Bureau. The CSRS contribution rates are set by law and will be included in the annual ATB guidance.

Narrative example: 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.

**(f) Federal Employees' Retirement System (FERS)** - 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 budget. 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 Bureaus. 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.

Narrative example: 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.

**(g) Thrift Savings Plan (TSP)** - 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 Bureau'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 Bureaus. However, Bureaus may use actual payroll data to develop a more accurate rate, but must submit supporting documentation as back-up.

Narrative example: 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%.

**(h) Old-Age, Survivors and Disability Insurance (OASDI)**. 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. Bureaus 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 Bureaus 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.

Narrative example: 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.

**(i) Health Insurance** - Health insurance is an optional benefit. Employees can elect not to participate or can choose among a wide range of plans and coverages. 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, Bureaus should compare the average health insurance cost per person before and after the annual rate increase in January. 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.

Narrative example: 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.

**(j) Travel** - When the General Services Administration (GSA) increases mileage and/or per diem rates, Bureaus should request the cost increases as ATBs decreases. For mileage rate increases, the GSA rate increase would be applied against the mileage estimate in the 20CY Congressional budget to arrive at the

ATB. ATB requests for per diem increases should be based on each Bureau's historical pattern of visited sites. The specific locations and the frequency of the trips should be considered. Based on these data, each Bureau would compute an average rate increase 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.

Narrative example: 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.

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.

**(k)** Rental Payments to GSA - Each spring or early summer, the Department receives rate packages for GSA-controlled space. These packages are forwarded to each Bureau's space management staff for determining GSA costs for 20BY. The packages include proposed 20BY GSA rates and current square footage of each Bureau'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, Bureaus 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, Bureaus amend their requests to reflect the revised estimate.

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.

Narrative example: 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 - When the Postal Service implements changes in postage rates, Bureaus 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.

Narrative example: 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) GPO Printing** - Annually, GPO provides an estimate of the rate increase of printing costs. Bureaus should apply this rate against the estimate included in the 20CY Congressional budget to compute the ATB.

Narrative example: 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.

**(n) Working Capital Fund, Departmental Management** -Bureaus should use the allowance provided by the Department.

Narrative example: An additional \$0 is required to fund cost increases in the Departmental Management's Working Capital Fund.

**(o) General Pricing Level Adjustment** - Bureaus 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); other contractual services (excluding CAMS and WCF), supplies and materials, and equipment to cover increases due to inflation.

Narrative example: 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).

- i. **Program and Performance: Direct Obligations (Exhibit 10)** 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.
- j. **Justification of Program and Performance (by subactivity), (Exhibit 12)** 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.

**(i) 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.

**(ii) 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.

**(iii) 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.

**(iv) 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.

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.

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.

**(v) 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 Bureau's performance plan. The performance measures section of the base narrative should contain all performance measures associated with each subactivity line item.

**(vi) 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.

- k. **Program Change for 20BY (Exhibit 13)** 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.



## Summary -

- (i) 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.)
- (ii) 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 Bureau's performance plan.
- (iii) Performance Measures - Following the program change narrative is a table of the Bureau's performance measures impacted by the initiative. The table reflects the budget year and outyears. These performance measures must be consistent with the measures in the base narrative and in the Bureau's performance plan. If the Bureau is unable to determine how the initiative impacts current Bureau performance measures, the initiative may be subject to denial.
- (iv) 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.

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 Office of Management and Budget in 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 uncapitalized resources. For additional reporting requirements for requests for capital assets, refer to Chapter III, Section 1.

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.

1. **Program Change Personnel Detail (Exhibit 14)** 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. An adjustment for the 20BY pay raise to total salaries is shown on one line entry. For program decreases, the current grades and steps for all positions to be eliminated are shown.

For program decreases, a positive amount for benefits to former personnel is usually included when eliminated positions are not picked up elsewhere. 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.

- m. **Program Change Detail by Object Class (Exhibit 15)** 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.
- n. **Summary of Requirements by Object Class (Exhibit 16)** 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.
- o. **Detailed Requirements by Object Class (Exhibit 17)** 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.
- p. **Activity/Subactivity Change Crosswalk (Part I - CY Structure) (Exhibit 18)** If no changes are proposed to appropriation or activity structure, this exhibit is not required.

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.

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.

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

*The following exhibits are specifically required for the Congressional submission:*

- r. **Appropriation Summary Statement (Exhibit 31)** Complete this exhibit whenever there is more than one appropriation in an operating unit. Otherwise this information is included in the Executive Summary a/k/a General Statement.
- s. **Justification of Proposed Language Changes (Exhibit 32)** Sequentially number each change in the appropriation language. 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. Prepare separate exhibits for each appropriation that has proposed language changes.
- t. **Appropriation Language and Code Citations (Exhibit 33)** Quote each piece of the existing appropriation language followed by all applicable code citations.
- u. **Consulting and Related Services (Exhibit 34)** 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.
- v. **Periodicals, Pamphlets, and Audiovisual Services (Exhibit 35)** 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.

Definitions --

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.

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.

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.

- w. **Average Grade and Salaries (Exhibit 36)** PY actual and CY and BY 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.

## **I. Backup Materials**

**Operating units should omit from their Congressional submission certain "backup" exhibits from the OMB submission and send them separately to the Office of Budget. They are as follows:**

### **1. Summary of Reimbursable Obligations (Exhibit 6)**

This exhibit displays reimbursable obligations in the same format as the second section of the "Summary of Resource Requirements", (Exhibit 5).

### **2. Program and Performance: Reimbursable Obligations (Exhibit 11)**

This schedule displays the reimbursable obligations, positions, and full-time equivalent employment associated with the line items within each subactivity.

### **3. Summary of Outyear Changes Requested (Exhibit 20)**

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.

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.

Other Adjustments and Anticipated Cost Increases - Also listed and explained are all other adjustments.

### **4. Outlay Analysis Table (Exhibit 22)**

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.

In computing outlay spendout rates, Bureaus should consider the various lengths of time to liquidate different classes of obligations. For example, where payroll obligations are 95% outlaid in the year of obligation, construction obligations could take several years to be liquidated. Therefore, each Bureau 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, Bureaus will have to rely on internal financial reports for verifying the spendout rates.

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.

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.

Outlays - 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.

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.

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.

**5. Schedule of Permanent Positions (Exhibit 26)**

This schedule details permanent positions for each appropriation account which includes personnel compensation and benefits in 20PY through the 20BY estimate. Permanent positions are defined, for the purposes of this exhibit, as those occupied or to be occupied by full-time employees with permanent appointments, including positions established without time limit or for a limited period of a year or more.

An estimate of the number of unfilled positions at the end of the year should be based on actual experience and have a reasonable relationship to end of year employment. The percentage relationship between unfilled positions and total permanent positions for the current year and the budget year should normally be equal to or less than that of the past year.

**6. Summary of Funding and Staffing (Exhibit 30)**

This summary table presents all sources of funding for 20PY through 20BY + 4 and staffing for 20PY through 20BY + 1 by account.

**J. Presentation, Paper Size, Printing**

**1. Presentation**

All narrative materials are typed single spaced in accordance with the formats provided in the exhibits.

All major items listed under "Material Required," are begun on a separate page.

The typed material is to be clear and sharp in order to make good clear copies and contains no penciled additions, deletions or corrections.

The "Summary of Resource Requirements" is printed on salmon-colored paper.

**2. Paper Size**

All narratives and exhibits are printed in "landscape" mode, that is, along the 11 inch side of 8 1/2 by 11 inch paper.

**3. Exhibit and Page Numbering**

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.

**4. Agency Designations**

Departmental Management	DM
Office of the 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
National Telecommunications and Information Administration	NTIA

**5. Printing**

The following instructions are included on the CD-10:

- Three-hole punch
- 3/8" drill to be used
- 4-1/4" center to center
- To be centered on page
- Outside holes to be 1/4 inches from center of hole to edge of paper
- Do not staple
- Print on both sides

A sample for punching is normally attached to the CD-10.

**Electronic Submission**

The Office of Budget may provide electronic formats for bureau use in submitting budget exhibits.

