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

BULLETIN NO. 71-11

June 1, 1971

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Information on agency financial management
improvement efforts

1. Purpose. This Bulletin provides an opportunity for each agency to report on its most significant financial management improvement activities during fiscal year 1971, and its future plans.
2. Accomplishments and plans. The reporting of significant accomplishments in the improvement of financial management systems is important and necessary for an evaluation of improvement efforts. The identification of planned actions for the coming fiscal year as well as a critical evaluation of the extent to which plans for fiscal year 1971 were met is also important. Planned actions should give emphasis to those problem areas which are delaying the formal submission and approval of accounting systems. Positive, continuing, and aggressive action is needed to insure the development of modern financial management systems which meet the needs of managers at all levels for financial and related data.
3. Reporting requirements. In order to publish a more timely report, the information obtained will be published, to the extent possible, as submitted by the agencies. It is most important, therefore, that the agencies submit the data in accordance with the guidelines set forth in the Attachment. An original and five copies are to be submitted to the Office of Management and Budget not later than June 30, 1971.
4. Coverage. The requirements of this Bulletin are applicable to all departments and agencies of the executive branch.

GEORGE P. SHULTZ
DIRECTOR

Attachment

ATTACHMENT
Bulletin No. 71-11

REPORTING INSTRUCTIONS AND GUIDELINES

General Guidelines. Each agency should select, based on the benefits derived, its most significant financial management improvements that were completed during the fiscal year and submit the report required herein in the format of the attached Exhibit. Improvements installed during prior years, properly identified as such, may also be included provided the resulting operating and managerial gains were initially realized during fiscal year 1971. In those instances where the agency report is based on several bureau reports, the material should be consolidated prior to submission for publication. The content of the report is to be developed in accordance with the guidelines set forth below.

1. Part A, Significant Accomplishments and Future Plans.

a. Narrative statement. Significant improvements, and the resulting benefits, should be set forth in a brief narrative description and classified under the broad functional headings identified in the Exhibit. Improvements involving mechanization or automation should be included in the functional area most directly related. When such improvements do not relate to any of the classifications, the agency may submit a report under the heading "automation." Where an agency has no significant accomplishments under a particular functional category, the category should not be used. Suggested areas of improvement action which may be covered are listed below:

- Adoptions of cost-based budgeting practices for presentation of budget requests.
- Actions taken or planned toward effective use of responsibility centered cost-based operating budgets and quantitative measures of planned performance. Special emphasis should be given to reports that will permit comparison of actual costs and performance with approved plans for purposes of promoting efficiency and cost reduction.

- Synchronization of classifications for programming, budgeting, accounting, reporting, and control in order to permit use of an integrated management system for conduct of agency operations. For agencies in which program planning and evaluation systems are employed, the reports may identify the progress being made in coordinating that effort with the financial management improvement program. The objectives of such coordination should be to assure that the financial systems provide an accurate and reliable basis for associating costs with program elements and budget classifications, and that the data demands of the program structure are satisfied within the framework of a unified management system in the agency.
- Actions taken or planned toward installing effective accrual accounting practices, and obtaining Comptroller General approval of agency accounting systems.
- Progress made toward the accounting and monthly reporting of accrued revenues and expenditures consistent with the guidelines and instructions contained in Office of Management and Budget Bulletin No. 68-10 and Supplement No. 1, thereto; the GAO Manual; and the Treasury Fiscal Requirements Manual. Agencies which have fully complied with these requirements should clearly indicate this achievement.
- Actions taken or planned toward improvement of financial management for grant-in-aid programs, with particular reference to coordinating and simplifying financial requirements imposed on grantees.
- Actions taken or planned to increase the effectiveness of internal auditing, including strengthening of systems for following up on audit findings and prompt reporting of problems to management.
- Arrangements made for improved coordination and more efficient accomplishment of Federal audit objectives in grant-in-aid programs, as called for in Office of Management and Budget Circular No. A-73.
- Application of statistical sampling techniques to financial operations, with specific identification of actions taken or planned toward use of such techniques in the administrative examination of vouchers.

- Improvements in cash management, covering particularly the use of letters of credit or other methods of reducing cash balances held by contractors, States, international institutions, foreign governments, or other recipients of grants or contributions.
- Actions taken or planned in the recruitment and training of financial personnel in order to permit development and effective operation of a financial management system that conforms to requirements and satisfies the needs of management.

b. Illustrations. Whenever possible, illustrations demonstrating the nature and significance of the improvement should accompany the narrative statement (graphs, photographs, etc.).

c. Future plans. Each narrative statement should include a description of the agency's future plans for further improvements. These statements should be related to the improvement being described and should include a realistic target date.

d. Restrictions. Because of the necessity to limit the size of the annual report, each agency should report on only those improvements of considerable importance. Agencies should consult the most recent Joint Program report as to style of presentation. Questions should be directed to the JFMIP Executive Secretary on code 103, extension 4518; or 395-4518.

2. Part B, Status Information. This section of the report identifies the status of agency efforts toward modernization of accounting systems in relation to the provisions of the Budget and Accounting Procedures Act of 1950, as amended by Public Law 84-863. For each agency in which those requirements have not been met, the status tabulation described below will provide firm target dates that reflect positive plans for full compliance, and represent a realistic commitment by the agency to attain the desired objectives within the specified time period. In this connection, any postponement of target dates from those reported in last year's report of status will be explained under "Remarks" and will include the reasons for the slippage in schedule and the action being taken to avoid similar problems with respect to the new target date. Footnotes without target dates and entries such as "Indefinite" or "Not

planned" will not be sufficient. The status tabulation in the Exhibit is to be completed by each agency as of June 30, 1971.

a. Column (a). This will identify the organization, accounting entity, or both, for which information is submitted. The tabulation in each agency's submission is to reflect the stub entries used for the agency in the Appendix of the published Annual Report of the Joint Financial Management Improvement Program for Fiscal Year 1970. The entries are to cover both complete systems and segments of systems. If any adjustments in the stub entries of the published tabulation are warranted by reorganization or by other changes, the agency should contact General Accounting Office representatives to work out a mutually agreeable stub column for its tabulation.

For all systems where formal approval of the documentation of the complete system in operation was obtained from the Comptroller General prior to October 16, 1969, and the system has not been scheduled for resubmission, enter the approval date (month and year) in column (d) along with the notation "CG" to indicate that the system in operation was approved by the Comptroller General.

For all systems other than those approved prior to October 16, 1969, a two-stage submission for approval by the Comptroller General is required.

b. Columns (b) and (c). Reflect the dates of approval, if applicable, for each of the present two formal approval stages. The notation "CG" should be inserted to indicate approval.

Specify where applicable, the date each such stage was submitted to the Comptroller General if it has not been formally approved or disapproved. The notation "Sub." should be inserted to indicate a formal submission.

Identify the agency target dates for submission of the respective stages to the Comptroller General, where formal submissions have not yet been made. The notation "Tgt." should be inserted to indicate that the date is a target for submission.

Where previous submissions have been withdrawn by an agency or returned as unapproved by the Comptroller General, new target dates for resubmission of the principles and standards and system design should be provided. For accounting systems not legally subject to approval by the Comptroller General, the entry "Not applicable" will be shown.

c. Column (d). Reflect the status of implementation of the approved system design. When the agency head has determined that the system is installed and operating as approved, insert "In opn." and the date. If not yet installed or fully operating as approved, insert the target date (month and year) for completion of the installation. The notation "Tgt." should be inserted for identification of the date as a target.

d. Remarks. Provide any necessary explanations of the tabular entries. Such explanations should be identified, as appropriate, with the line item in the tabulation. The tabular entries and the supporting remarks should indicate clearly the degree to which each organization has progressed in developing its financial management system to meet the requirements of the Budget and Accounting Procedures Act of 1950, as amended.

Financial Management Improvement Program
Agency Report as of June 30, 1971

Agency _____ Date _____

Part A - Significant Accomplishments and Future Plans

- Organization
- Budgeting
- Accounting
- Cash management and other fiscal matters
- Reporting
- Auditing
- Staff and Training

Part B - Status Information

Organization and/or Accounting Entity	Status of Approvals by the Comptroller General		System in Operation
	Principles and Standards	Accounting System Design	
(a)	(b)	(c)	(d)
A	CG 5/70	CG 12/70	In opn. 1/71
B	Sub. 6/70	Sub. 1/71	Tgt. 7/71
C	Tgt. 1/72	Tgt. 6/72	Tgt. 12/72
D			CG 6/60

Remarks:

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

*with DD's - no
specific written
instructions*

BULLETIN NO. 71-10

May 5, 1971

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Control of year-end buying

1. Purpose. This Bulletin provides policy guidance and general instructions on year-end buying. Its objective is to prevent wasteful or extravagant practices that sometimes arise during the last 60 days of the fiscal year when the availability of unobligated funds happens to be greater than is necessary to carry out approved programs.

2. Policy. Government operations must be carried on in the most effective and economical manner possible. Care will be exercised at all times in the ordering and purchasing of goods and services, and special attention will be given at year-end to resist the temptation to use up available appropriations unnecessarily.

3. General instructions. The following general instructions will govern the incurrence of obligations by all executive departments and agencies for the remainder of this fiscal year:

a. Obligations for the fourth quarter of fiscal year 1971 will not exceed obligations for the third quarter, except where a higher level is fully justified to carry out a seasonal requirement or an essential program objective.

b. Orders for supplies, materials, and equipment for the balance of this fiscal year will be kept to the minimum required to meet approved program needs.

c. Purchases for inventory will be managed so that inventories are maintained at no higher than normal levels. Generally, it would be expected that the number of weeks of inventory supply at the end of the year would not exceed the average end-of-month inventory for the first three quarters of the fiscal year.

d. Additional purchase orders and contracts for goods or services (for delivery extending into the next

fiscal year) may be entered into in cases that provide a comparative cost advantage to the Government.

e. Employment will be held to the minimum necessary to accomplish the job, and must be kept within the end-of-year employment ceilings established for each agency.

4. Implementation. To assure compliance with these general instructions, the head of each department and agency will be responsible for the prompt issuance of implementing instructions to the contracting officers and other officials authorized to incur obligations.

Exceptions to the instructions in paragraph 3 may be made only upon determination by the agency head that the need therefor is fully justified as being in the best interests of the Government.

GEORGE P. SHULTZ
Director

OPP

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

BULLETIN NO. 71-9

April 22, 1971

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Implementation of recommendations of the Joint
Agency Transportation Study

1. Purpose. This Bulletin directs the attention of all Federal agencies to the report of the Joint Agency Transportation Study. Copies of the report are available from the Federal Supply Service of the General Services Administration, Region 3 (Federal Stock Number 7610-181-7322). The study was conducted under the sponsorship of the Joint Financial Management Improvement Program. The report makes recommendations intended to develop better systems for conducting the Government's transportation business.

This Bulletin highlights the more significant recommendations of the report, indicates the Federal agency responsible for the implementation of all recommendations, and sets forth requirements for reporting implementation progress.

2. Recommendations. The fifty-eight recommendations of the report are included in Attachment A. Legislative proposals that may be required to implement recommendations will be submitted to the Office of Management and Budget for coordination and advice in accordance with Circular No. 19, revised, dated June 9, 1964.

Implementation of some of the recommendations in the report would enable Federal agencies to pay transportation bills more promptly. However, if implementation of a recommendation would result in payment before due (not an advance payment), agencies should weigh the potential benefits against the additional financing costs to the Government resulting from such accelerated payments.

3. Responsible agencies. The Office of Management and Budget is responsible within the executive branch for the overall implementation of the recommendations of the report. Attachment B indicates the specific Federal agency responsible for taking necessary action to implement each recommendation.

4. Selected recommendations. One of the more significant recommendations of the study, number 33, calls upon Government agencies to review their small surface shipments, including parcel post, to determine areas where it is more efficient and economical to use parcel delivery services. The report uses estimated percentages to indicate the extent of savings potentially available to the Government by increased use of parcel delivery services. These percentages are of necessity, inexact, and, therefore, may not be suitable for establishing shipment policies in all agencies in all circumstances. Nevertheless, since potential savings from increased use of parcel delivery services are so significant, agencies should consider this mode of transportation in determining the optimal mix of transportation services they should employ.

Another important recommendation of the study, number 7, is that development of automatic payment procedures be vigorously pursued where "freight-all-kinds" (FAK) rates are employed. The study indicates that substantial savings are possible by using this method. General Services Administration is studying the possibility of installing such a system. Other agencies should study FAK and related automatic payment procedures and, where determined to be more efficient and economical, introduce these procedures into their own operations.

Recommendation 30 is that no claim should be filed or deductions made against carriers for loss or damage below a minimum amount. The Comptroller General has agreed that, until such time as his office, the Department of Defense, and the General Services Administration can complete a cost study, this minimum shall be \$15. Claims above \$15 shall constitute separate actions, as called for in recommendation 29.

Several recommendations suggest that further study should be undertaken, or indicate that studies are now underway. The agencies responsible for these studies are requested to report the results of the studies to the Office of Management and Budget when they are completed. This requirement is in addition to the reports called for in paragraph 5 below. A number of the recommendations deal with changes in forms and changes to procedures for which the General Accounting Office has responsibility. The General Accounting Office has agreed to furnish the Office of Management and Budget with periodic reports on progress in implementing these recommendations.

5. Reports. Each agency should review Attachment B to determine the recommendations for which they have responsibility. Each quarter, beginning with the one ending the fourth quarter of fiscal year 1971, agencies will report to the Office of Management and Budget on progress made in implementing the applicable recommendations. Reports will be made within 30 days of the end of a quarter. Where two or more agencies are involved in the implementing action, their replies should be coordinated. Reports should be discontinued when implementation is complete.

Reports should describe specific actions taken to implement each recommendation, the extent to which implementation has been completed, and the estimated deadline for full implementation. Reports should make reference to all recommendations applicable to the agency. Where implementation appears impractical in a given situation, or where unusual delays are anticipated in implementation, special explanation of the circumstances surrounding these situations should be given.

GEORGE P. SHULTZ
DIRECTOR

Attachments

TRANSPORTATION STUDY RECOMMENDATIONS

- A. Civilian Agency Bill-To Locations
 - 1. That civilian agencies eliminate bill-to locations which are not also certifying locations.
 - 2. That each applicable bureau or equivalent explore the advisability of establishing a single domestic bill-to and certifying location.
 - 3. That increased emphasis be placed upon entering the correct bill-to address on transportation documents.
 - 4. That a central point be designated in each civilian department and agency to handle all improperly addressed transportation bills identified with that department or agency.
- B. Central Payment Plan
 - 5. That a civilian transportation central payment facility not be established.
 - 6. That, should the General Services Administration require additional traffic management data, arrangements be made to obtain such data from other available sources.
- C. Automatic Payment of Freight Charges
 - 7. That the General Services Administration systems concept of automatically paying freight charges on Federal Supply Service intraregional outbound shipments covered by freight-all-kinds (FAK) rates be vigorously pursued.
- D. Automatic Payment of Airline Ticket Charges
 - 8. That a six-month pilot test of a proposed plan for automatic payment of airline ticket charges procured by teleticketing facilities be undertaken, using detailed procedures concurred in by the General Accounting Office, General Services Administration, and the Air Transport Association.
 - 9. That, if the automatic payment plan is adopted, the General Services Administration arrange to assist other agencies desiring to participate.
 - 10. That, if the automatic payment plan is adopted, the General Services Administration arrange to have the plan, with suitable modification, installed where agency travel service units deal directly with combined airline ticket offices.

E. Modified Bank Payment Concept

11. That a cost/benefit study be undertaken to determine the advisability of adopting a modified bank payment plan for the Government.

F. Standard Government Bills of Lading

12. That the Consignee's Certificate of Delivery be eliminated from the GBL and a carrier's certificate of delivery be eliminated from the GBL and a carrier's certificate of delivery be substituted therefor.
13. That appropriate legislation be enacted to exempt transportation payments from the scope of the statute prohibiting advance payment (31 U.S.C. 529).
14. That the original of the U. S. Government Bill of Lading (Standard Form 1103) and the U. S. Government Transit Bill of Lading (Standard Form 1131) be given to the carrier in all instances upon tender of shipment.
15. That the carrier, upon loss of the original GBL, be required to substitute the freight waybill (Standard Form 1105) as his billing document after appropriate certifications have been made thereon.
16. That opaque bond paper be used for Standard Form 1105, Freight Waybill and continuation sheets.
17. That the Certificate in Lieu of Lost U. S. Government Bill of Lading (Standard Form 1108) be eliminated.
18. That temporary Receipt in Lieu of U. S. Government Bill of Lading (Standard Form 1107) be eliminated.
19. That the Report of Loss, Damage, or Shrinkage now appearing on the reverse of the originals of the standard GBL (Standard Form 1103) and the transit GBL (Standard Form 1131) be eliminated.
20. That the waybill carrier's copy in the standard GBL set (Standard Form 1106) and in the transit GBL set (Standard Form 1134) and related continuation sheets be eliminated.
21. That the "Destination" block on the standard and transit Government bill of lading sets be revised to include the street address, city, State or country, and zip code.

22. That the "Charges To Be Billed To" block on the standard and transit Government bill of lading sets be revised to provide specific lines for entering department or agency; bureau or office; and street address, city, State, or country, and zip code.
 23. That the current "Certificate of Issuing Officer" block on the standard and transit Government bills of lading sets be eliminated, and the block be revised to provide for inclusion of more specific issuing office information.
 24. That the GBL number on the standard and transit GBL sets be repeated in another section of the form.
 25. That the terms and conditions governing the use of the standard and transit GBLs be incorporated by reference on the reverse of the original GBL and the shipping order.
 26. That the consignee's memorandum copy of the standard and transit GBL contain instructions on the reverse covering the action to be taken upon receipt of the shipment, including loss and damage.
 27. That, of the memorandum copies of the standard and transit GBLs, one copy be designated "Fiscal Copy" and one be designated "Issuing Office Copy."
- G. Short Form Government Bill of Lading
28. That the short form U. S. Government bill of lading set and the Certified True Copy be eliminated.
- H. Loss and Damage
29. That Government agencies treat claims for loss and damage on domestic shipments as separate actions apart from the carrier's bills for freight charges.
 30. That the Government establish a realistic minimum below which it is uneconomical or impractical to file formal claims against carriers for loss and damage, and absorb amounts falling below the established minimum.
 31. That a simplified alternate standard form for reporting loss and damage be designed for those agencies who find that Standard Form 361, Discrepancy in Shipment Report, is too cumbersome for their needs.
- I. Payment in Cash for Domestic Freight Charges

32. That Government agencies be authorized to pay from imprest funds for domestic freight charges not exceeding \$25 on commercial bills of lading under the following conditions:
 - a. That this procedure be optional on the part of the agency and agreed to by the carrier;
 - b. That payment be made either at origin or at destination; and
 - c. That appropriate records of such transactions be maintained to permit a General Accounting Office Audit.
- J. Small Domestic Surface Shipments
 33. That, to simplify documentation requirements and also eliminate the need for such transactions to be sent to the General Accounting Office for audit, Government agencies review their domestic small surface shipments, including parcel post, to determine areas where it is more efficient and economical to use commercial forms and procedures.
 34. That the authority delegated to heads of departments and agencies to use commercial procedures and documents for domestic shipments on which freight charges do not exceed \$25 be modified to permit heads of departments and agencies to redelegate this authority.
- K. Government Transportation Request
 35. That the Government Transportation Request be revised.
- L. Expanded Use of Cash for Domestic Passenger Transportation
 36. That the existing permissive authorization to pay in cash for passenger transportation services costing up to \$15, plus Federal tax, be increased to \$100 per trip for transportation within the 50 States and the District of Columbia.
 37. That the traveler, when submitting his voucher for reimbursement for passenger transportation purchased by cash payment, assign to the Government his rights to collection action for any excess payments (for which he would otherwise be liable) due to the use by carriers of improper transportation rates or classifications.

38. That the traveler attach the passenger coupon or other appropriate evidence to his travel reimbursement voucher when cash is advanced for the use of common carrier transportation.
 39. That the issuance of a GTR for transportation services costing less than \$10 be discontinued, except where special circumstances indicate its need.
- M. Credit Cards for Passenger Transportation
40. That the U. S. Government not establish a Federal credit card plan for procuring passenger transportation services.
 41. That the U. S. Government not participate in carrier credit card plans for the procurement of passenger transportation services.
- N. Government Excess Baggage Authorization
42. That a standard Government procurement form for excess baggage services in lieu of the industry form "Government Excess Baggage Authorization" (GEBA) not be adopted.
 43. That all Government travelers be required to pay cash for excess baggage charges for domestic travel for amounts up to \$15 for each leg of a trip.
- O. Audit and Settlement
44. That the central GAO audit and settlement role be continued.
 45. That continued emphasis be placed upon systems development with the objectives of attaining maximum audit coverage through computer and other techniques and minimum manual reviews of individual transactions.
 46. That GAO continue to concern itself with transportation audit development efforts in industry and Government, monitor the effects of these efforts on its postaudit role, and assist agencies to undertake the audit effort wherever this is efficient and economical.
- P. Civilian Agency Payment Practices
47. That civilian agencies age their accounts payable monthly and concentrate on paying vouchers that are more than 30 calendar days old.
 48. That civilian agencies discontinue the practice of returning vouchers to carriers where the GBLs and GTRs lack complete or correct appropriation or accounting data.

- 49. That civilian agencies schedule payment covering the net amount of vouchers after deleting those GBLs and GTRs that are misaddressed or incorrect.
 - 50. That civilian agencies schedule payment of vouchers containing GBLs or GTRs which are correct even though there was no prior obligation.
 - 51. That civilian agencies perform only an administrative audit and refrain from performing a prepayment rate audit.
- Q. Standard Form 1170, Redemption of Unused Tickets
- 52. That no changes are necessary in the procedures or form of Standard Form 1170, Redemption of Unused Tickets.
- R. Standard Form 1173, Report of Change in Passenger Transportation Service
- 53. That Standard Form 1173, Report of Change in Passenger Transportation Service, be eliminated.
- S. Revision of Government Transportation Request to Serve as a Procurement Document and a Ticket
- 54. That no further action be taken by the Government on a combination Government Transportation Request and ticket.
- T. Government Voucher Forms
- 55. That the administrative certificate on Standard Form 1113, Public Voucher for Transportation Charges, and on Standard Form 1171, Public Voucher for Transportation of Passengers, be eliminated.
 - 56. That agencies establish controls to ensure the return of voucher tear-off slips to carriers in accordance with existing requirements.
 - 57. That all carriers be reminded of the provisions of Title 5, section 2060.60 of the General Accounting Office Manual, which permits the use of a facsimile signature of the carrier certifying officer rather than signing each voucher.
- U. Information and Education
- 58. That the traffic management organization of the General Services Administration for civilian agencies, and the Department of Defense for military agencies:
 - a. Keep abreast of applicable implementation actions; and
 - b. Prepare and issue necessary handbooks and guides, and conduct necessary training.

Agencies Responsible

<u>RECOMMENDATION NUMBER</u>	<u>IMPLEMENTING AGENCY</u>
1, 2	All applicable civilian departments and agencies
3, 4	All civilian departments and agencies
5	---
6	General Services Administration
7	General Services Administration in cooperation with the General Accounting Office
8	Department of Transportation and General Services Administration in cooperation with the General Accounting Office and the Air Transport Association
9, 10	General Services Administration
11	Joint Financial Management Improvement Program
12 through 27	General Accounting Office
28	General Accounting Office
29	All military and civilian departments and agencies
30, 31	General Accounting Office in cooperation with General Services Administration and Department of Defense

(Cont.) Agencies Responsible

<u>RECOMMENDATION NUMBER</u>	<u>IMPLEMENTING AGENCY</u>
32	General Accounting Office
33	All military and civilian departments and agencies
34	General Accounting Office
35	General Accounting Office
36	General Accounting Office
37, 38	General Accounting Office
39	General Accounting Office
40, 41	---
42	---
43	General Accounting Office.
44	---
45, 46	General Accounting Office
47 through 51	All applicable civilian departments and agencies. The General Accounting Office should include a check of civilian agency practices as a part of its agency audit program.
52	---
53	General Accounting Office

(Cont.) Agencies Responsible

<u>RECOMMENDATION NUMBER</u>	<u>IMPLEMENTING AGENCY</u>
54	---
55	General Accounting Office
56	All applicable military and civilian departments and agencies
57	General Accounting Office
58	General Services Administration and Department of Defense

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

BULLETIN NO. 71-8

April 20, 1971

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Rescission of Bulletin 70-5

The provisions and requirements of Office of Management and Budget Bulletin No. 70-5, dated September 12, 1969, and its Supplement Nos. 1 through 4, dated November 26, 1969; February 26, 1970; March 17, 1970; and June 11, 1970 respectively, are hereby rescinded.

CASPAR W. WEINBERGER
Deputy Director

APR 21 1971
CWB

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

BULLETIN NO. 71-7

April 7, 1971

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Presidential Management Improvement Award

The second annual Presidential Management Improvement Awards ceremony is planned for September 27, 1971, in Washington, D. C. These Awards are the highest awards granted under the Government-wide Management Improvement Program established February 16, 1970, by Office of Management and Budget Circular No. A-44, and are presented in recognition of exceptional contributions to improved operating effectiveness and cost reduction in Government. In addition to the Awards, a limited number of Presidential Management Improvement Certificates will also be granted.

Heads of departments and agencies have the opportunity to nominate individuals, small working groups, teams, or organizational units whose achievements during this fiscal year represent the most outstanding contributions to improved management effectiveness or cost reduction in their agency.

Nominations for these awards must be submitted to the Office of Management and Budget, Washington, D. C. 20503, not later than July 16, 1971. The President's Advisory Council on Management Improvement will make recommendations to the President concerning the recipients of the Awards.

Criteria and procedures for nominations are set forth in the Attachment.

GEORGE P. SHULTZ
DIRECTOR

Attachment

ATTACHMENT
Bulletin No. 71-7

NOMINATIONS

1. Criteria. Nominees are to be selected on the basis of achievements having an outstanding impact during FY 1971 on:

a. Increased effectiveness in a vital function of Government (including improved service to the public), or

b. Cost reduction.

(For further amplification, see paragraphs 3 and 4 of Circular No. A-44.)

2. Nominations for Awards. Nominations may be submitted for the achievements of:

a. Individuals: Persons having made exceptional contributions to the agency during FY 1971.

b. Small working groups or teams: A small number of individuals working together on a project, problem, or priority program during FY 1971.

c. Organizational units: Elements of the agency below the bureau or command level whose membership and size are such that total group performance during FY 1971, equitably appraised by established performance goals or objective measure, represents exceptional unit achievement within programs, functions, or activities of vital concern to the agency.

3. Content of nominations. To be eligible for consideration, nominations must follow the prescribed format outlined below.

a. A one page summary sheet in the format of the Exhibit. For group or organization nominations, an individual designated to serve as the representative for award purposes should be specified.

b. Amplifying information, not exceeding 3 or 4 pages, should be attached and organized under the following headings.

(1) "Increased Effectiveness."

(a) Amplification of achievement:

Paragraph 1 -- Impact. Describe the importance of the Government mission, function, or activity affected.

Paragraph 2 -- Previous Level of Effectiveness. A description of the effectiveness and results achieved before improvement actions were taken (include if applicable, previously accepted levels of performance).

Paragraph 3 -- Actions Taken. Explain the actions taken to improve operating effectiveness.

Paragraph 4 -- Results. Indicate by quantitative, or other objective evidence, the way in which previous levels of performance or goals were exceeded.

Paragraph 5 -- Initiative Beyond Job Responsibilities. Describe, in detail, the degree of ingenuity, innovation, extraordinary dedication, or exceptional managerial skill demonstrated by the nominee regardless of whether it is an individual, group, or organization.

(b) Amplification of benefits:

Provide an analytical statement describing, whenever possible, in quantitative terms, the benefits derived from the achievement.

(2) "Cost Reduction Achievement."

(a) Amplification of achievement:

Paragraph 1 -- Previous Conditions. Describe the conditions which existed prior to implementation of the cost reduction contribution.

Paragraph 2 -- Actions Taken. Describe the actions taken including the date originated, and the date approved or completed.

Paragraph 3 -- Initiative Beyond Job Responsibilities. Explain how the achievement went beyond job responsibility, including the degree of ingenuity, innovation, managerial skill required, or extraordinary dedication that was demonstrated.

(b) Amplification of benefits:

Provide a statement describing:

- How the benefits were computed.
- How the benefits were validated.
- An identification of the budget item affected and a description of the impact and consequences of the achievement, including the effect on any of the budgetary object classifications.
- The estimated effect on the 1972 or 1973 budget.

4. Nomination limitations. Agencies may not submit more than the number of nominations allocated on the list below. Agencies not shown on this list are limited to one nomination. Each individual, group, or organization nomination will be counted as one nomination. The limitations on number of nominations, which are based on an analysis of agency populations, are as follows:

<u>Department or Agency</u>	<u>Number of Nominations</u>
Department of Agriculture	4
Department of Commerce	2
Department of Defense	38
Department of Health, Education, and Welfare	4
Department of Housing and Urban Development	2

<u>Department or Agency cont'd</u>	<u>Number of Nominations</u>
Department of Interior	3
Department of Justice	3
Department of Labor	2
Department of State	2
Department of Transportation	4
Department of the Treasury	4
Post Office Department	9
Agency for International Development	2
Office of Economic Opportunity	2
Peace Corps	2
Atomic Energy Commission	2
Central Intelligence Agency	2
Civil Service Commission	2
Corps of Engineers	2
Farm Credit Administration	2
Federal Communications Commission	2
Federal Deposit Insurance Corporation	2
Federal Home Loan Bank Board	2
Federal Maritime Commission	2
Federal Power Commission	2
Federal Trade Commission	2
General Services Administration	2
Interstate Commerce Commission	2
National Aeronautics and Space Administration	2
National Labor Relations Board	2
Panama Canal Company	2
Railroad Retirement Board	2
Securities and Exchange Commission	2
Selective Service System	2
Small Business Administration	2
Smithsonian Institution	2
Tennessee Valley Authority	2
U.S. Information Agency	2
Veterans Administration	5

SELECTION FACTORS

To the extent feasible, it is intended that the awards will exemplify and be representative of outstanding contributions in a wide variety of Federal programs. Equal consideration will be given to individual, small working group or team, and organizational unit nominations. In making selections for award, consideration will be given to the information provided in paragraph 3 of this Attachment.

2 4

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EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

BULLETIN NO. 71-6

March 31, 1971

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Reports on Agency Public Relations Activities

1. Purpose. This Bulletin requires agency reports on reductions in public relations activities to assist in monitoring implementation of the President's memorandum of November 6, 1970.

2. Scope. The provisions of this Bulletin cover agency public relations activities that fall within the definitions in Office of Management and Budget Bulletin No. 70-10 of April 2, 1970, and its Attachment A.

Departments and agencies which use contractors to accomplish significant portions of their missions (e.g., DOD, AEC, NASA) should advise their contractors that public relations activities which advocate agency programs fall under the guidelines of the President's memorandum. Accordingly, such contractor activities will be reviewed as part of this monitoring effort.

3. Agency coverage. Information on reductions in public relations activities will be required from executive departments and agencies as specified below.

a. The reports required under paragraph 4 will be submitted by all executive departments and the following agencies:

Agency for International Development
Atomic Energy Commission
Corps of Engineers
General Services Administration
National Aeronautics and Space Administration
National Science Foundation
Office of Economic Opportunity
Tennessee Valley Authority
Veterans Administration

b. Other agencies which received the President's memorandum of November 6, 1970, on this subject will be requested periodically to submit similar reports, as necessary for monitoring purposes. Such agencies should be prepared to submit a report within 30 days after it is requested.

4. Reporting requirements. Reports required by this Bulletin will be prepared in accordance with the instructions in the Attachment, and in the format of the Exhibit. The departments and agencies identified in paragraph 3a will submit three quarterly reports for the periods ending March 31, 1971; June 30, 1971; September 30, 1971; and a final report as of June 30, 1972. All reports will be due within 30 days after the end of each reporting period.

5. Review of actions and plans. Executive departments and agencies--including those not required to submit quarterly reports under paragraph 4--will be prepared to discuss and provide information on their past actions and future plans for public relations activities as part of the formulation and review of their 1973 budget submissions. Particular emphasis will be placed on agency progress in making required reductions in the course of the 1973 budget hearings.

CASPAR W. WEINBERGER
Deputy Director

Attachments

ATTACHMENT
Bulletin No. 71-6

INSTRUCTIONS FOR PREPARING REPORTS ON
PUBLIC RELATIONS REDUCTIONS

A separate report will be prepared for each executive department and agency in accordance with paragraph 3. In addition, separate reports should be prepared for each bureau or other principal organizational unit (or major program), when necessary to reflect properly the reductions being made in public relations activities.

In the case of jointly-funded activities, the report will be submitted by the organization that has primary responsibility for the activity.

Three copies of each report will be submitted, prepared in accordance with the following:

Section A. Reductions.

This section of the report presents cumulative data on reductions made in public relations activities during the period between November 6, 1970, (the date of the President's memorandum on this subject) and the end of the reporting period.

Line 1. Enter the cumulative number of full-time permanent positions in public relations activities which have been eliminated.

Line 2. Report cumulative number of man-months of total employment (full-time permanent, part-time, and temporary) reduced and the cumulative obligations reduced for personal services based on average salary.

Line 3. Report cumulative obligations reduced for other than personal services--i.e., reductions in printing, supplies, materials, etc., applicable to public relations activities, which are not included in line A2.

Line 4. Enter the total of the cumulative obligation reductions shown on lines A2 and A3.

Section B. Status of obligations.

This section of the report presents information applicable to the designated fiscal years. The March 31, and June 30, 1971, reports will focus on actions directed towards reaching the obligation level approved for fiscal year 1971 in

the letter from the Office of Management and Budget setting forth the Presidentially approved 1972 budget allowances, known as the "allowance letter." The September 30, 1971, and June 30, 1972, reports will focus on actions directed towards reaching the approved obligation level approved for fiscal year 1972. Enter (as indicated) the fiscal year applicable for each report.

Line 1. Enter the amount of the approved obligation level for public relations activities for the designated fiscal year as specified in the "allowance letter."

Line 2. Enter the cumulative obligations incurred for public relations activities for the designated fiscal year through the end of the reporting period.

Line 3. Enter the result of line B1 minus line B2.

Line 4. Determine the projected average monthly rate of obligation by dividing the amount in line B3 by the months remaining in the fiscal year. No entry will be required for the last report of a fiscal year.

Line 5. Enter the obligations incurred during the last month of the reporting period. No entry is required for the last report of a fiscal year.

Section C. Explanatory narrative.

In cases where the amount of obligations incurred during the last month of the reporting period (line B5) exceeds the average rate of monthly obligations available for future months (line B4), identify the actions planned to make the necessary reductions to reach the approved level.

In cases where line B3 is a negative number, reasons must be furnished for exceeding the public relations allowances. This narrative should also be used to identify and discuss briefly each significant action (with a dollar measure of the resulting savings) taken to reach the approved levels of obligations specified in the "allowance letter." In particular, agencies should identify specific public relations outputs (publications, exhibits, films, etc., as defined in Bulletin No. 70-10) which have been eliminated or reduced in scope, volume, or frequency.

The explanatory narrative may be presented on a separate 8 by 10-1/2 inch page, as necessary.

EXHIBIT
Bulletin No. 71-6

PUBLIC RELATIONS REDUCTIONS
(Obligations in thousands)

[Department or agency name] For period ending _____, 19__

[Identify bureau or other subsidiary unit (if applicable)]

A. REDUCTIONS (CUMULATIVE SINCE NOVEMBER 6, 1970)

	<u>Number</u>	<u>Obligations</u>
1. Full-time permanent positions		XXX
2. Employment (in man-months and obligation equivalents)		
3. Obligations for other than personal services	XXX	
4. Total cumulative obligation reductions (lines A2 + A3)	XXX	

B. STATUS OF OBLIGATIONS
FISCAL YEAR [1971 or 1972 as applicable]

1. Total obligations approved for fiscal year in "allowance letter"	
2. Obligations incurred through end of reporting period	
3. Obligations for remainder of fiscal year (B1 minus B2)	
4. Average rate of monthly obligation for remainder of fiscal year (B3 divided by months remaining in the fiscal year)	
5. Amount of obligations incurred during the last month of the reporting period	

C. EXPLANATORY NARRATIVE

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

BULLETIN NO. 71-5

February 19, 1971

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: 1972 increased pay costs

1. Purpose. This Bulletin provides instructions for submission of a summary of the estimated 1972 increased pay costs of:

a. Civilian personnel pay increases effective in January 1971, under Executive Order 11576, which was issued pursuant to Public Law 91-656, and comparable increases granted by administrative action; and

b. Military personnel pay increases effective in January 1971, under Executive Order 11577, which was issued pursuant to Public Law 90-207.

The information submitted will serve as the agency request for amendments to the 1972 Budget for these additional pay costs. Amendments to the 1972 Budget for wage board or other pay increases not related to the Executive orders specified above will not be requested at this time.

2. Requirements: Each agency is requested to submit a summary of the estimated 1972 increased pay costs listed above by March 5, 1971, in accordance with the instructions provided in Attachment A. A short narrative explanation of the methods used in computing the increased pay costs should accompany the summary, along with any change in appropriation or limitation language, if required. Upon request, agencies will be required to provide a full analysis and backup of the summary data submitted.

3. Policy. The following policies will apply:

a. Basis for estimates. The amount of the 1972 pay increase costs specified above will be computed on the basis of program levels as contemplated by the costs and obligations shown in the 1972 Budget Appendix.

In calculating the amount of the budget amendment to be requested, consideration should be given to the additional

payments for increased pay costs required to be made to other agencies or accounts for work being done on a reimbursable basis, as well as offsets to increased pay costs derived from advances and reimbursements from other agencies or accounts.

Appropriations should not be required for revolving and management funds (including consolidated working funds), since the increased pay costs for such funds should be completely covered by increased reimbursements and receipts.

b. Absorption. No estimate of absorption of these increased pay costs is required at this time. Present plans call for the later issuance of further instructions with regard to absorption of the increased pay costs to be incurred in 1972 (including increases which may be put into effect during the last half of that fiscal year).

4. Agency justifications of 1972 requests. Each agency will be notified by the Office of Management and Budget as soon as practicable of its portion of the budget amendment which the President will transmit to Congress for these pay costs. After such transmittal, budget justifications for committees of Congress should be based upon the amended recommendations. Prior to that time, justifications and testimony should be directed toward the unamended amount.

CASPAR W. WEINBERGER
Deputy Director

Attachments

ATTACHMENT A
Bulletin No. 71-5

SUMMARY OF 1972 INCREASED PAY COSTS

Each agency is requested to submit a summary of 1972 increased pay costs resulting from the items specified in paragraph 1 of this Bulletin. This summary will be in the form illustrated by Exhibit 1, and will be accompanied by the narrative explanation and appropriation language required in paragraph 2 of this Bulletin. Agency submission of the required summary will be made by March 5, 1971, in an original and two copies.

For purposes of this summary, allocation accounts (transfer appropriation accounts) will be reported with the parent account rather than with the receiving agency. It is therefore necessary that each agency receiving an allocation furnish to the agency responsible for the parent account the data necessary to prepare the report. Unless otherwise arranged between the agencies concerned, the information should be furnished to the parent agency by February 26, 1971.

In the case of advances and reimbursements paid into revolving and management funds (including consolidated working funds) and appropriation accounts, the associated increase in advances and reimbursements will be deducted from the increase in direct pay and related costs in the account of the receiving agency in arriving at its budget amendment request. This may be done without the necessity of clearance with the paying agency. Similarly, the agency making the advance or reimbursement will add the associated increase to the increased direct pay and related cost for its account in arriving at its budget amendment request.

The summary will be prepared on 8" X 10-1/2" paper, as described below. Each account affected by the specified pay increases will be listed and the amount applicable to each account will be shown, with the total for all listed accounts provided as indicated in Exhibit 1.

Column 1. List the page number in the 1972 Budget Appendix on which can be found the account or fund listed in column 2.

Column 2. List under each bureau or organizational unit to which separate appropriations or funds are available, the title of each appropriation or fund account (other than allocations from other agencies) which is affected by the specified pay increases. These will include revolving and management funds (including consolidated working funds) and

trust funds. Account titles will be listed in the order in which they appear in the budget.

Column 3. Show the amount requested in the 1972 Budget for the account or fund listed in column 2. This will be the amount shown in the appropriation language as proposed in the 1972 Budget Appendix. Where an administrative expenses limitation is shown in the 1972 Budget Appendix, the amount of the limitation will be shown in parentheses as a non-add entry.

Column 4. Identify the proposed 1972 budget amendment for the account or fund shown in column 2. Additional appropriations required will be the sum of the following:

- a. The increased direct pay and related costs to the account;
- b. Plus any increased payments or reimbursements required to other accounts;
- c. Minus any increased payments or reimbursements from other accounts.

Where an increase in an administrative expenses limitation is required, the amount of the increase will be shown in parentheses as a non-add entry and identified with the symbol, "(A)". Where a waiver of a limitation on personal services is required, the amount shown in this column will be identified with the symbol "(W)".

Amounts requested and shown in this column should be in round thousands, i.e., if the above calculation comes to \$34,231, the amount to be shown should be \$34,000.

Column 5. Enter the sum of columns 3 and 4.

SUMMARY OF 1972 INCREASED PAY COSTS

March 3, 1971

DEPARTMENT OF GOVERNMENT

Page number in 1972 Budget Appendix	Organizational unit and account title	Request pending	Proposed amendment	Revised request
(1)	(2)	(3)	(4)	(5)
875	Office of the Secretary Salaries and expenses.....	\$ 6,900,000	\$ 480,000 (W)	\$ 7,380,000
877	Bureau of Inspection Salaries and expenses.....	7,253,000	430,000	7,683,000
878	Inspection services.....	5,800,000	220,000	6,020,000
<hr/>				
897	Government Corporation ABC revolving fund.....	(9,450,000)	(567,000) (A)	(10,017,000)
	Total of above accounts.....	311,650,000	18,792,000	330,442,000

A - Increase in administrative expenses limitation required.
W - Waiver of limitation on personal services required.

Notes:

- a. Amounts shown are in dollars (rounded to thousands)
- b. Actual size of this form is 8 X 10-1/2 inches

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EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

BULLETIN NO. 71-4, SUPPLEMENT NO. 2

February 5, 1971

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Increased pay costs

1. Purpose. This Supplement amends instructions in Bulletin No. 71-4 (dated November 16, 1970) and its Supplement No. 1 (dated November 27, 1970), which required submission of an analysis of fiscal year 1971 increased pay costs. Specifically, this Supplement No. 2 requires submission of information which will serve as the agency request for 1971 supplemental appropriations for the additional pay costs identified below.

2. Application. The analysis required under this Supplement No. 2 will cover the costs of:

a. Civilian personnel pay increases effective in January 1971, under Executive Order 11576, which was issued pursuant to Public Law 91-656, and comparable increases granted by administrative action;

b. Military personnel pay increases effective in January 1971, under Executive Order 11577, which was issued pursuant to Public Law 90-207; and

c. Wage board pay increases under 5 USC 5341 (c) (commonly called the Monroney Amendment), effective in October 1968, as implemented in November 1970 by Civil Service Commission Bulletin Nos. 532-9 and 532-10.

3. Requirements. Each agency is requested to submit an analysis of the increased pay costs listed above by February 26, 1971, in an original and two copies, in the format prescribed in Exhibit 1. This due date must be met so that the necessary amounts may be included in the 1971 pay supplemental request to be submitted to the Congress. A short narrative explanation of the methods used in computing the increased pay costs should accompany the analysis.

4. Basis of estimates. Statutory civilian, military, and administrative pay system increased pay costs for 1971 will

be calculated on the basis of rates in Executive Orders 11576 and 11577 and comparable rates authorized by appropriate officials for administrative pay systems. Estimates of wage board increased pay costs under the Monroney Amendment will be based upon the best information available to the agency, with consideration being given to the following facts and assumptions:

a. In certain wage board areas, lead agencies have already established pay schedules on the basis of the Monroney Amendment. In these cases, where amounts for 1969 and 1970 have already been paid, the actual costs will be reported. Where estimates for 1969, 1970, and 1971 are necessary, costs will be determined for each fiscal year by relating the average increase for the area to the number of agency wage board employees in the area.

b. In areas where Monroney Amendment pay schedules have not yet been established, agencies will use such information as is available as a basis for estimating these increased pay costs. In many areas, pay adjustments under 5 USC 5341 (c) are not anticipated. For example, of the areas where the Department of Defense is the lead agency, it is anticipated that increases will most likely occur only in the areas listed in Attachment A (that Attachment also provides instructions on estimating the increased 1969, 1970, and 1971 pay costs for those areas). Pay adjustments are also not expected in large urban areas where the Federal Government is not a principal employer of blue collar workers.

5. Policies on absorption, supplemental requests, and the charging of costs. Agencies will absorb the costs of these increases to the fullest extent possible. Pay supplementals should be proposed only in cases where the head of the agency has determined, by personal review, that full absorption is not possible.

In the case of the Monroney Amendment, wage board costs relating to prior year expired accounts should be absorbed by restorations of amounts previously lapsed in the account to which the costs would relate (i.e., the 1969 and 1970 accounts). The absorption will be given effect at the end of fiscal year 1971, when prior year restorations or withdrawals are made under 31 USC 701-708.^{1/} Care should be

^{1/} For these 1969 and 1970 expired accounts, the amounts reported in column 5 of the analysis (see paragraph 6, below), will be the Monroney Amendment portion of the net amount reported to Treasury for the restorations or withdrawals to take place on June 30, 1971.

taken to make provision for other adjustments to obligations which will affect the amounts available for restoration in prior year accounts. All other anticipated adjustments should be given effect before attempting to absorb costs of the Monroney Amendment.

The 1971 increased pay cost due to the Monroney Amendment will depend on the extent to which increases already provided for or anticipated (and included in agency estimates in the 1972 Budget) have accomplished the adjustments required under 5 USC 5341 (c). 1971 amounts already reported in the analysis submitted under Bulletin No. 71-4 and Supplement No. 1 should not be included in the analysis required by this Supplement No. 2.

To the extent that amounts relating to current as well as expired accounts cannot be absorbed, a pay supplemental should be requested. Appropriation language will be proposed by the Office of Management and Budget in the 1971 pay supplemental which will provide that obligations for the 1969 and 1970 unabsorbed pay costs under the Monroney Amendment may be considered as 1971 obligations. Thus, the 1971 pay supplemental will permit coverage of these unabsorbed increased pay costs for all three years, and such costs should be charged to the account current in 1971.

Provision should be made for the three year costs of the Monroney Amendment as well as the one year costs of Public Laws 91-656 and 90-207 within the agency outlay ceilings established in accordance with Office of Management and Budget Bulletin No. 71-2, August 14, 1970.

6. Preparation of required analysis. In preparing the analysis called for by this Supplement No. 2 (see Exhibit 1), the instructions in Bulletin No. 71-4 will generally apply to the information to be provided in each column. Additional instructions for the analysis are as follows:

a. For each account listed in column 1 which has Monroney Amendment wage board costs (which were not covered in the analysis previously furnished under Bulletin No. 71-4 and its Supplement No. 1), a separate stub entry will be shown for the additional wage board costs for fiscal years 1971, 1970 and 1969. For one-year or expired accounts, the amounts applicable to each year will be shown in columns 2 through 8. For no-year or unexpired multiple year accounts, amounts applicable to each year will be shown in columns 2 through 4, but the amounts will be shown in the aggregate in columns 5 through 8.

b. Appropriations required for expired accounts (but for which the supplemental appropriation will be to the 1971 account -- see paragraph 5) will be identified with the symbol "(X)" next to the amount shown in column 8.

c. The total appropriation required for the unabsorbed increased pay costs under Public Laws 91-656 and 90-207 and 5 USC 5341 (c) (for the three years) will be shown in column 9.

d. Transfers for purposes of absorption should be proposed only between current accounts. However, increased reimbursements needed because of the Monroney Amendment wage board costs for services performed will be required as necessary from expired or current client accounts. Information regarding the additional amounts required for such reimbursements should be provided to the client agencies by February 19, 1971.

e. Transfers between trust and Federal fund accounts for purposes of absorption of these costs should not be proposed.

7. Pay increase costs for 1972. It is planned to transmit amendments to the 1972 budget for the civilian and military pay increases effective in January 1971 (Executive Orders 11576 and 11577). A new Bulletin will be issued shortly specifying the requirements for those amendments.

CASPAR W. WEINBERGER
Deputy Director

Attachment

Attachment A
Bulletin No. 71-4
Supplement No. 2

DETERMINATION OF MONRONEY AMENDMENT COSTS

Preliminary studies by the Department of Defense indicate that of those wage board areas where that Department has been designated the lead agency for purposes of wage determinations, only those areas identified below are anticipated to be affected by the Monroney Amendment.

The first grouping (under "Areas affected") identifies those wage areas where determinations have already been made and where schedules are available. In the columns to the right of each listed area is shown the number of months in each fiscal year in which the revised wage board pay schedules for 1969, 1970, and 1971 are to be effective for that area.

The second grouping (under "Areas anticipated to be affected") identifies those areas where it is anticipated that increases due to the Monroney Amendment will result from studies which are not yet made or completed. The anticipated monthly coverage of the 1969, 1970, and 1971 pay scales is shown.

Based upon the experience of the Department of Defense in the nine areas where revised wage schedules are currently available, the average annualized effect of the Monroney Amendment upon the 1969 pay costs is an increase of \$410 per employee. The similar annualized cost of the Monroney Amendment for the fiscal years 1970 and 1971, respectively, is \$400.^{1/} These figures may be used as a basis for estimating such wage board increased costs for the areas shown on the list. For those areas where the Department of Defense is not the lead agency, other sources of information will have to be used for estimating the increased costs attributable to the Monroney Amendment.

^{1/} These figures are to determine the annual costs of the Monroney Amendment and are not additive to the pay scales from one year to the next, i.e., the estimated increased cost per employee in the areas shown for fiscal year 1971 is \$400, not \$1,210.

**WAGE AREAS AFFECTED OR ANTICIPATED TO BE
AFFECTED BY THE MONRONEY AMENDMENT**

Months covered by revised pay scales

<u>Area affected</u>	<u>1969 pay scale</u>		<u>1970/1971 pay scales</u>	
	<u>FY 1969</u>	<u>FY 1970</u>	<u>FY 1970</u>	<u>FY 1971</u>
Sacramento	3	9	3	12
Jacksonville, Florida	4	8	4	12
Macon	9	3	9	12
Oklahoma City	8	4	8	12
Narraganset Bay	1	9	3	12
Charleston, S.C.	-	-	-	9
San Antonio	-	-	11	12
Norfolk	-	-	11	12
SE North Carolina	4	8	4	12
<u>Areas anticipated to be affected</u>				
Valdosta	9	3	9	12
Bloomington, Indiana	6	6	6	12
Dubuque, Iowa	6	6	6	12
Lexington, Kentucky	3	9	3	12
Las Vegas	8	4	8	12
Reno	2	10	2	12
Portsmouth	6	6	6	12
Columbus, Ohio	4	8	4	12
Dayton	4	8	4	12
Harrisburg, Pa.	3	9	3	12
Anniston-Gadsden	1	11	1	12
Huntsville	1	11	1	12
Phoenix	2	10	2	12
Tucson	2	10	2	12
Wilmington, Delaware	6	6	6	12
Panama City, Florida	8	4	8	12
Pensacola	8	4	8	12
Albany, Georgia	9	3	9	12
Scranton	9	3	9	12
Corpus Christi	-	-	11	12
Texarkana	1	11	1	12
Western Texas	-	-	11	12
Hawaii	-	12	-	12
Rock Island-Davenport	7	5	7	12
Southern & Western Colorado	5	6	6	12
Albany, New York	-	-	2	12
Southern & Western Oklahoma	9	3	9	12

Illustrative determination of costs in a given area:

An agency having 25 employees in the Valdosta wage board area in 1969, 27 employees in 1970, and 24 employees in 1971 will calculate its estimated increased costs of the Monroney Amendment for those employees as follows:

<u>Year</u>		<u>Costs</u>
<u>1969:</u>	(25 employees) X (9/12) X (\$410) =	\$ 7,688
<u>1970:</u>	(27 employees) X (3/12) X (\$410) + (27 employees) X (9/12) X (\$400) =	\$10,868
<u>1971:</u>	(24 employees) X (12/12) X (\$400) =	<u>\$ 9,600</u>
	Three year costs:	\$28,156

EXHIBIT 1
BULLETIN NO. 71-4
SUPPLEMENT NO. 2

ANALYSIS OF PAY INCREASE COSTS DUE TO
PUBLIC LAWS 91-656 AND 90-207 AND 5 USC 5341 (c)
(Executive Order 11576 unless otherwise identified)

February 24, 1971

DEPARTMENT OF GOVERNMENT

Organizational unit and account title (1)	Increase in direct pay and other related cost of this agency		Unabsorbed amounts for payment to other accounts (4)	Net absorption		Total (7)	Additional appropria- tion required (8)	Total require- ment (9)
	Direct pay (2)	Related cost (3)		Possible by admin- istrative action (5)	Requiring Congres- sional action (6)			
Office of the Secretary								
Salaries and expenses	143,700	11,300	...	46,000	15,000(T) ^{1/}	61,000	94,000	) 94,000
Administrative action	1,350	100	...	1,450	...	1,450	...	)
Bureau of Research								
Laboratory services revolving fund.....	238,000	21,900	...	234,000	25,900(A)	259,900	...	)
Wage board, 5 USC 5341(c))
1971	24,000	2,250	...))
1970	20,430	1,930	...)	67,750	...	67,750	...	)
1969	17,500	1,640	...))
Bureau of Inspection								
Inspection services	430,000	39,500	...	195,000 ^{2/}	...	195,000	274,500(W))
Wage board, 5 USC 5341(c))
1971	3,400	320	...	3,720	...	3,720	...	) 283,000
1970	3,400	320	3,680	...	...	...	7,400(X))
1969	2,380	220	...	1,500	...	1,500	1,100(X))
Total, all pay increases	5,350,400	489,900	4,200	1,630,480	92,020	1,722,500	4,122,000	4,122,000
Executive Order 11576.....	(4,615,000)	(420,000)	...	(1,415,000)	(85,000)	(1,500,000)	(3,535,000)	
Admin. action	(7,050)	(690)	...	(7,740)	...	(7,740)	...	
Wage board, 5 USC 5341(c) all years ...	(728,350)	(69,210)	(4,200)	(207,740)	(7,020)	(214,760)	(587,000)	

Symbols used above: T--Transfer authority required; A--Increase in administrative expenses limitation required;
W--Waiver of limitation on personal services required; X--Amount required relating to
expired account - but for which supplemental appropriation will be to the current account.

^{1/} To be transferred from "Administrative expenses, Office of the Secretary."
^{2/} Includes \$15,000 to be transferred from "Salaries and expenses, Bureau of Safety."

Notes: a. Amounts in this schedule
are in dollars, not rounded
to thousands.
b. Actual size of this form
is 8 x 13 inches.

UNCLASSIFIED

CONFIDENTIAL

SECRET

OFFICIAL ROUTING SLIP

TO	NAME AND ADDRESS	DATE	INITIALS
1	OPPB	9/25	Jmc
2			
3	<i>any implications for me?</i>		
4			
5			
6			
	ACTION	DIRECT REPLY	PREPARE REPLY
	APPROVAL	DISPATCH	RECOMMENDATION
	COMMENT	FILE	RETURN
	CONCURRENCE	INFORMATION	SIGNATURE

Remarks:

FYI. Attached is a copy of an OMB bulletin with transmittal memo pertaining to environmental impact statements.

It is doubtful that any legislative proposal by the Agency would fall within the purview of the bulletin and that this would apply as well to annual budget estimates as elaborated. The basic public law for this issuance is also attached.

FOLD HERE TO RETURN TO SENDER

FROM: NAME, ADDRESS AND PHONE NO.

DATE

Lyle Miller OLC 7D35

25 Sept. 70

UNCLASSIFIED

CONFIDENTIAL

SECRET

Joan - I think we had circulated
71-3, and decided there was
no CIA action. Is that right?
You might want to put the
attached copy of the Act
with our 71-3.

Hm

OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

OHC-0653

SEP 14 1970

*Rescinded
9/30/71*

MEMORANDUM FOR: Legislative Liaison Officers

SUBJECT: OMB Bulletin No. 71-3, instructions
pertaining to environmental impact
statements

Enclosed for your information and use are copies of the recent OMB Bulletin No. 71-3, which deals with the use of existing review mechanisms in the preparation and submission of the environmental impact statements required under section 102(2)(c) of Public Law 91-190, the National Environmental Policy Act of 1969. As you are aware, the Council on Environmental Quality has issued interim guidelines to the agencies for the overall implementation of this statutory requirement.

I invite your attention, in particular, to part 2(a) of Bulletin No. 71-3, wherein the procedures to be followed with respect to legislation are set forth. As you will note, our objective is to use the existing legislative clearance process to the extent possible in the circulation of proposed environmental impact statements.

Any comments or questions you may have concerning these procedures should be brought to the attention of the staff of the OMB's Legislative Reference Division.

Wilfred H. Rommel

Wilfred H. Rommel
Assistant Director for
Legislative Reference

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

*Received
8/30/71*

BULLETIN NO. 71-3

August 31, 1970

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Proposed Federal actions affecting the
environment

1. Purpose. This Bulletin establishes interim procedures to be followed by Federal agencies in taking or proposing certain actions coming within the scope of Section 102(2)(C) of the National Environmental Policy Act of 1969 (Public Law 91-190). Section 102(2)(C) requires that, in connection with recommendations or reports on proposals for legislation and other major Federal actions significantly affecting the quality of the human environment, Federal agencies shall prepare detailed statements concerning aspects of the environmental impact of the actions. Such statements are to be prepared after consultation with, and receipt of comments from, appropriate Federal, State, and local agencies. The Council on Environmental Quality has issued interim guidelines to agencies for implementation of this statutory requirement (35 F.R. 7390-7393). The guidelines provide detailed instructions for the preparation and content of environmental impact statements. The interim guidelines also refer to the issuance of these instructions by the Office of Management and Budget to provide for the utilization of existing review mechanisms for certain kinds of actions.

Based on the experience gained from the use of this Bulletin, Office of Management and Budget directives may be revised as appropriate.

2. Requirements.

a. Legislation. Each agency is responsible for identifying those of its legislative proposals, or favorable reports on bills on which it is the principal agency concerned, that would require the preparation of the statements

and receipt of the comments required under Section 102(2)(C). When there is doubt as to which is the principal agency concerned, agencies shall consult with the Office of Management and Budget's Legislative Reference Division.

The proposed Section 102(2)(C) statements and the required comments shall accompany legislative proposals and reports when these are sent to the Office of Management and Budget for clearance. At the same time, copies of this material shall be furnished directly to the Council on Environmental Quality for its information. As part of the normal clearance process, the Office of Management and Budget will circulate the proposed statements along with the proposals or reports to appropriate Federal agencies, and will consult with the Council on Environmental Quality. In certain cases, the clearance process may disclose the need for a Section 102(2)(C) statement where none has been prepared; in this event, the Office of Management and Budget staff will request the appropriate agency to develop and submit such a statement:

After differences with other agencies over the legislative proposal or report have been resolved, and after the legislative proposal or report has been cleared by the Office of Management and Budget, the originating agency shall put the Section 102(2)(C) statement in final form (including such comments and views of the appropriate Federal, State, and local agencies as are pertinent). The final statement and comments shall accompany the proposal or report to the Congress as supporting material. Copies of this final material shall be furnished directly to the Council on Environmental Quality.

b. Annual budget estimates. For those agencies having major program actions with significant impact on the human environment, annual budget estimates shall be accompanied by a special summary statement explaining generally the environmental impact expected to result from those activities and programs. In the case of programs for which it is not possible to make an assessment of the potential impact on specific areas of the environment, special summary statements shall include relevant information about general

environmental impact and alternatives, and, to the extent possible, important environmental problems that may be caused by proposed actions but which still must be assessed as plans for programs and activities are further refined. The special summary statement shall also include, in the form illustrated in Exhibit 1, the following information by appropriation or fund account:

Column A - Action, project, or activity. Identify the agency actions and individual projects and activities, and the amounts of funds involved, that are considered subject to Section 102(2)(C). Where the action is a part of a larger activity, identify only the project or action subject to Section 102(2)(C) and the amount involved.

Column B - Final statement completed. Check the appropriate category. If there are significant unresolved issues with other agencies, include a copy of the statement with the submission to the Office of Management and Budget.

Column C - Statement being prepared. Give the status (e.g., awaiting signature of the Secretary) and estimated completion date.

Agencies that prepare Section 102(2)(C) statements for annual authorizing legislation shall submit the proposed Section 102(2)(C) statements in lieu of a special summary statement required by paragraph 2b above, except that the information required for the special summary exhibit shall be submitted along with the proposed Section 102(2)(C) statement. Copies of the special summary statement or proposed Section 102(2)(C) statement (accompanied by information for the special summary exhibit) shall be furnished directly to the Council on Environmental Quality.

c. Water resource project reports. Project reports reviewed by the Office of Management and Budget pursuant to Executive Orders Nos. 9384 and 10654 often involve proposed actions that may require application of the Section 102(2)(C) procedures.

In such cases, the Section 102(2)(C) statement shall accompany the project report when the latter is referred for comments to interested Federal, State, and local agencies. The statement and the comments thereon shall accompany the project report when submitted to the Office of Management and Budget for review.

If planning on current projects is so far advanced that conforming with standard procedures in connection with Section 102(2)(C) would cause major problems, the agencies shall consult with the Natural Resources Programs Division to determine whether appropriate modifications of the procedures should be arranged.

All project reports on projects that are considered subject to Section 102(2)(C) procedures received after adjournment of the present session of the Congress will be returned to the proposing agency if the Section 102(2)(C) procedures have not been completed at the time of submission.

3. Review of Federal actions by State and local governments.

As a part of the preparation of environmental impact statements, Section 102(2)(C) requires agencies to include the comments and views of the appropriate Federal, State, and local agencies which are authorized to develop and enforce environmental standards. The interim guidelines issued by the Council on Environmental Quality (35 F.R. 7390-7393) establish the procedures to be followed in obtaining Federal, State, and local review of proposed actions subject to Section 102(2)(C). In certain cases in obtaining State and local review of major Federal actions having impact on a specific locality, it will be appropriate for agencies to follow the procedures established in the Office of Management and Budget Circular No. A-95.

Pursuant to Part I of Circular No. A-95, a network of State, metropolitan and regional (non-metropolitan) clearinghouses has been established. These clearinghouses serve as review agencies for proposed Federal and federally supported development projects (including the acquisition, use and disposal of

Federal real property) and applications for Federal assistance under a wide variety of Federal programs. These reviews are concerned with the consistency of proposed projects with State, regional, and local plans and programs; with consideration of certain other factors, including development and conservation of natural resources, protection of areas of unique natural beauty, historical, or scientific interest; and with maintenance of high standards of design.

In the case of direct Federal development projects and projects assisted under programs listed in Attachment D of Office of Management and Budget Circular No. A-95, Federal agencies will utilize these clearinghouses in obtaining the views of State and local agencies required under Section 102(2)(C) procedures. In most cases the agency operating the clearinghouse function will not itself have the environmental responsibilities but will be utilized to obtain the required information from appropriate State or local agencies.

GEORGE P. SHULTZ
Director

Attachment

STATUS OF SECTION 102(2)(C) STATEMENTS

DEPARTMENT OF GOVERNMENT
Appropriation or Fund Account
(Account identification code)

Column A	Column B		Column C
Action, Project or Activity	Final Statement Completed (Check one Column)		Statement being prepared
	Unresolved Issues	No Unresolved Issues	



Public Law 91-190
91st Congress, S. 1075
January 1, 1970

An Act

83 STAT. 852

To establish a national policy for the environment, to provide for the establishment of a Council on Environmental Quality, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Environmental Policy Act of 1969".

National Environmental Policy Act of 1969.

PURPOSE

SEC. 2. The purposes of this Act are: To declare a national policy which will encourage productive and enjoyable harmony between man and his environment; to promote efforts which will prevent or eliminate damage to the environment and biosphere and stimulate the health and welfare of man; to enrich the understanding of the ecological systems and natural resources important to the Nation; and to establish a Council on Environmental Quality.

TITLE I

DECLARATION OF NATIONAL ENVIRONMENTAL POLICY

SEC. 101. (a) The Congress, recognizing the profound impact of man's activity on the interrelations of all components of the natural environment, particularly the profound influences of population growth, high-density urbanization, industrial expansion, resource exploitation, and new and expanding technological advances and recognizing further the critical importance of restoring and maintaining environmental quality to the overall welfare and development of man, declares that it is the continuing policy of the Federal Government, in cooperation with State and local governments, and other concerned public and private organizations, to use all practicable means and measures, including financial and technical assistance, in a manner calculated to foster and promote the general welfare, to create and maintain conditions under which man and nature can exist in productive harmony, and fulfill the social, economic, and other requirements of present and future generations of Americans.

Policies and goals.

(b) In order to carry out the policy set forth in this Act, it is the continuing responsibility of the Federal Government to use all practicable means, consistent with other essential considerations of national policy, to improve and coordinate Federal plans, functions, programs, and resources to the end that the Nation may—

- (1) fulfill the responsibilities of each generation as trustee of the environment for succeeding generations;
- (2) assure for all Americans safe, healthful, productive, and esthetically and culturally pleasing surroundings;
- (3) attain the widest range of beneficial uses of the environment without degradation, risk to health or safety, or other undesirable and unintended consequences;
- (4) preserve important historic, cultural, and natural aspects of our national heritage, and maintain, wherever possible, an environment which supports diversity and variety of individual choice;
- (5) achieve a balance between population and resource use which will permit high standards of living and a wide sharing of life's amenities; and

(6) enhance the quality of renewable resources and approach the maximum attainable recycling of depletable resources.

(c) The Congress recognizes that each person should enjoy a healthful environment and that each person has a responsibility to contribute to the preservation and enhancement of the environment.

Administration.

SEC. 102. The Congress authorizes and directs that, to the fullest extent possible: (1) the policies, regulations, and public laws of the United States shall be interpreted and administered in accordance with the policies set forth in this Act, and (2) all agencies of the Federal Government shall—

(A) utilize a systematic, interdisciplinary approach which will insure the integrated use of the natural and social sciences and the environmental design arts in planning and in decisionmaking which may have an impact on man's environment;

(B) identify and develop methods and procedures, in consultation with the Council on Environmental Quality established by title II of this Act, which will insure that presently unquantified environmental amenities and values may be given appropriate consideration in decisionmaking along with economic and technical considerations;

(C) include in every recommendation or report on proposals for legislation and other major Federal actions significantly affecting the quality of the human environment, a detailed statement by the responsible official on—

- (i) the environmental impact of the proposed action,
- (ii) any adverse environmental effects which cannot be avoided should the proposal be implemented,
- (iii) alternatives to the proposed action,
- (iv) the relationship between local short-term uses of man's environment and the maintenance and enhancement of long-term productivity, and
- (v) any irreversible and irretrievable commitments of resources which would be involved in the proposed action should it be implemented.

Prior to making any detailed statement, the responsible Federal official shall consult with and obtain the comments of any Federal agency which has jurisdiction by law or special expertise with respect to any environmental impact involved. Copies of such statement and the comments and views of the appropriate Federal, State, and local agencies, which are authorized to develop and enforce environmental standards, shall be made available to the President, the Council on Environmental Quality and to the public as provided by section 552 of title 5, United States Code, and shall accompany the proposal through the existing agency review processes;

Copies of statements, etc., availability.

81 Stat. 54.

(D) study, develop, and describe appropriate alternatives to recommended courses of action in any proposal which involves unresolved conflicts concerning alternative uses of available resources;

(E) recognize the worldwide and long-range character of environmental problems and, where consistent with the foreign policy of the United States, lend appropriate support to initiatives, resolutions, and programs designed to maximize international cooperation in anticipating and preventing a decline in the quality of mankind's world environment;

(F) make available to States, counties, municipalities, institutions, and individuals, advice and information useful in restoring, maintaining, and enhancing the quality of the environment;

January 1, 1970

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Pub. Law 91-190

83 STAT. 854

- (G) initiate and utilize ecological information in the planning and development of resource-oriented projects; and
 (H) assist the Council on Environmental Quality established by title II of this Act.

Sec. 103. All agencies of the Federal Government shall review ^{Review.} their present statutory authority, administrative regulations, and current policies and procedures for the purpose of determining whether there are any deficiencies or inconsistencies therein which prohibit full compliance with the purposes and provisions of this Act and shall propose to the President not later than July 1, 1971, such measures as may be necessary to bring their authority and policies into conformity with the intent, purposes, and procedures set forth in this Act.

Sec. 104. Nothing in Section 102 or 103 shall in any way affect the specific statutory obligations of any Federal agency (1) to comply with criteria or standards of environmental quality, (2) to coordinate or consult with any other Federal or State agency, or (3) to act, or refrain from acting contingent upon the recommendations or certification of any other Federal or State agency.

Sec. 105. The policies and goals set forth in this Act are supplementary to those set forth in existing authorizations of Federal agencies.

TITLE II

COUNCIL ON ENVIRONMENTAL QUALITY

Sec. 201. The President shall transmit to the Congress annually ^{Report to Congress.} beginning July 1, 1970, an Environmental Quality Report (hereinafter referred to as the "report") which shall set forth (1) the status and condition of the major natural, manmade, or altered environmental classes of the Nation, including, but not limited to, the air, the aquatic, including marine, estuarine, and fresh water, and the terrestrial environment, including, but not limited to, the forest, dryland, wetland, range, urban, suburban, and rural environment; (2) current and foreseeable trends in the quality, management and utilization of such environments and the effects of those trends on the social, economic, and other requirements of the Nation; (3) the adequacy of available natural resources for fulfilling human and economic requirements of the Nation in the light of expected population pressures; (4) a review of the programs and activities (including regulatory activities) of the Federal Government, the State and local governments, and nongovernmental entities or individuals, with particular reference to their effect on the environment and on the conservation, development and utilization of natural resources; and (5) a program for remedying the deficiencies of existing programs and activities, together with recommendations for legislation.

Sec. 202. There is created in the Executive Office of the President ^{Council on Environmental Quality.} a Council on Environmental Quality (hereinafter referred to as the "Council"). The Council shall be composed of three members who shall be appointed by the President to serve at his pleasure, by and with the advice and consent of the Senate. The President shall designate one of the members of the Council to serve as Chairman. Each member shall be a person who, as a result of his training, experience, and attainments, is exceptionally well qualified to analyze and interpret environmental trends and information of all kinds; to appraise programs and activities of the Federal Government in the light of the policy set forth in title I of this Act; to be conscious of and responsive to the scientific, economic, social, esthetic, and cultural needs and interests of the Nation; and to formulate and recommend national policies to promote the improvement of the quality of the environment.

80 Stat. 416.
Duties and
functions.

SEC. 203. The Council may employ such officers and employees as may be necessary to carry out its functions under this Act. In addition, the Council may employ and fix the compensation of such experts and consultants as may be necessary for the carrying out of its functions under this Act, in accordance with section 8109 of title 5, United States Code (but without regard to the last sentence thereof).

SEC. 204. It shall be the duty and function of the Council—

(1) to assist and advise the President in the preparation of the Environmental Quality Report required by section 201;

(2) to gather timely and authoritative information concerning the conditions and trends in the quality of the environment both current and prospective, to analyze and interpret such information for the purpose of determining whether such conditions and trends are interfering, or are likely to interfere, with the achievement of the policy set forth in title I of this Act, and to compile and submit to the President studies relating to such conditions and trends;

(3) to review and appraise the various programs and activities of the Federal Government in the light of the policy set forth in title I of this Act for the purpose of determining the extent to which such programs and activities are contributing to the achievement of such policy, and to make recommendations to the President with respect thereto;

(4) to develop and recommend to the President national policies to foster and promote the improvement of environmental quality to meet the conservation, social, economic, health, and other requirements and goals of the Nation;

(5) to conduct investigations, studies, surveys, research, and analyses relating to ecological systems and environmental quality;

(6) to document and define changes in the natural environment, including the plant and animal systems, and to accumulate necessary data and other information for a continuing analysis of these changes or trends and an interpretation of their underlying causes;

(7) to report at least once each year to the President on the state and condition of the environment; and

(8) to make and furnish such studies, reports thereon, and recommendations with respect to matters of policy and legislation as the President may request.

SEC. 205. In exercising its powers, functions, and duties under this Act, the Council shall—

34 F. R. 8693.

(1) consult with the Citizens' Advisory Committee on Environmental Quality established by Executive Order numbered 11472, dated May 29, 1969, and with such representatives of science, industry, agriculture, labor, conservation organizations, State and local governments and other groups, as it deems advisable; and

(2) utilize, to the fullest extent possible, the services, facilities, and information (including statistical information) of public and private agencies and organizations, and individuals, in order that duplication of effort and expense may be avoided, thus assuring that the Council's activities will not unnecessarily overlap or conflict with similar activities authorized by law and performed by established agencies.

January 1, 1970

- 5 -

Pub. Law 91-190

83 STAT. 856

Sec. 206. Members of the Council shall serve full time and the Chairman of the Council shall be compensated at the rate provided for Level II of the Executive Schedule Pay Rates (5 U.S.C. 5313). The other members of the Council shall be compensated at the rate provided for Level IV or the Executive Schedule Pay Rates (5 U.S.C. 5315).

Tenure and compensation.
80 Stat. 460, 461.

81 Stat. 638.

Sec. 207. There are authorized to be appropriated to carry out the provisions of this Act not to exceed \$300,000 for fiscal year 1970, \$700,000 for fiscal year 1971, and \$1,000,000 for each fiscal year thereafter.

Appropriations.

Approved January 1, 1970.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 91-378, 91-378, pt. 2, accompanying H. R. 12549 (Comm. on Merchant Marine & Fisheries) and 91-765 (Comm. of Conference).

SENATE REPORT No. 91-296 (Comm. on Interior & Insular Affairs).
CONGRESSIONAL RECORD, Vol. 115 (1969):

July 10: Considered and passed Senate.

Sept. 23: Considered and passed House, amended, in lieu of H. R. 12549.

Oct. 8: Senate disagreed to House amendments; agreed to conference.

Dec. 20: Senate agreed to conference report.

Dec. 22: House agreed to conference report.

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

BULLETIN NO. 71-2

August 14, 1970

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Control of outlays during fiscal year 1971

1. Purpose. This Bulletin provides instructions for controlling the outlays of the Federal Government pursuant to Title V of Public Law 91-305, enacted July 6, 1970. (See Attachment A for the text of Title V.)

2. Outlay limitation. Title V of Public Law 91-305 imposes a Government-wide limitation on outlays (expenditures and net lending) for the fiscal year 1971. This is the so-called "spending ceiling" imposed by Congress. This limitation allows adjustments to be made for congressional action or inaction on the 1971 outlay estimates in the February budget, for other congressional action, and (to a limited degree) for changes in those uncontrollable items specified in Section 501(b) of the statute.

In consideration of the restrictive fiscal policies we must use for the 1972 Budget, agency heads must be asked to take all necessary actions to reduce 1971 outlays to the lowest possible levels consistent with Presidential policies and legal requirements.

3. Administration of the limitation. To permit the Government to operate effectively within the Government-wide statutory limitation, the Office of Management and Budget will furnish each executive department and agency a tentative ceiling on outlays for 1971. This ceiling will include amounts for increased pay costs in 1971 for Federal civilian employees under Public Law 91-231, and for military personnel under Public Law 90-207; but will exclude amounts for (a) any other effects of congressional action or inaction on the President's budget requests, (b) the effect on budget outlays of other actions by the Congress (whether initiated by the President or the Congress), and (c) the uncontrollable items specified in Section 501(b) of Public Law 91-305. Beyond the latter exclusion, the tentative ceiling will cover all appropriations and funds administered by the department or agency (except deposit funds). Information on the coverage of the ceiling assigned to each agency may be obtained from the Office of Management and Budget through the program division which reviews the agency budget.

These agency ceilings will be reviewed later in connection with formulation of the 1972 Budget. At that time they will be revised to reflect the outlay effects of final congressional action or inaction during the Second Session of the 91st Congress, and to take account of Presidential guidance.

As indicated above, amounts for the uncontrollable items designated in Section 501(b) of the statute will be handled separately (and not included in the agency outlay ceilings). Staff of the Office of Management and Budget will estimate and reestimate changes in these items as they occur. To facilitate this process, individual agencies may be asked from time to time to submit information on those uncontrollable items with which they are concerned. It is clear, however, that to the extent that changes in these items on a Government-wide basis exceed the allowable \$4.5 billion specified in Section 501(b) of Public Law 91-305, offsetting decreases will have to be made in other more controllable programs.

4. Action by the agency. Each agency will:

a. Upon receipt of the tentative ceiling, prepare and maintain on a current basis a plan of estimated outlays by month, based on that outlay ceiling. The plan should be in sufficient detail to permit a comprehensive analysis of changes in programs covered by the ceiling. For agency control purposes, it should also identify separately the designated items in Section 501(b) of Public Law 91-305.

For the purpose of assuring that the assigned outlay ceilings are not exceeded, the plan of estimated monthly outlays in each agency should be maintained in such a way as to permit financial managers to monitor outlays effectively and to control obligations and commitments for that purpose. This could include setting monthly outlay targets for responsible subordinate officials or organizations (in addition to the establishment of allotments of obligating authority under the agency administrative control of funds system); and should provide for reports that measure actual outlays against outlay targets and obligations incurred. Such financial control practices could enable each agency head to keep abreast of the trend of agency outlays more effectively, so that he can adjust obligation allotments and outlay targets as necessary to remain within his assigned outlay ceiling.

The Office of Management and Budget will request submission of the current agency outlay plan as required--along with explanations of deviations from the plan, and the related actions taken to strengthen agency outlay control practices.

b. Tentatively reduce the assigned outlay ceiling (as defined in paragraph 3) whenever congressional action on a program covered by the ceiling results in a reduction from the amounts included in the assigned ceiling; and tentatively increase the ceiling (but only after approval of the applicable apportionment request) when congressional action on such programs will result in increased outlays over the amounts included in the assigned ceiling. These tentative changes will be reviewed during the formulation of the 1972 Budget.

Each agency will provide promptly information on such changes to the Office of Management and Budget. This will facilitate reporting to the Congress on the operation of Title V of Public Law 91-305. The information will be prepared in accordance with the instructions in Attachment B and in the format of Exhibit 1.

c. Submit apportionment and reapportionment requests in accordance with the instructions contained in Circular No. A-34, and in such amounts as to assure that the agency will keep within its 1971 outlay ceiling. Amounts that must be withheld from obligation in order to meet the agency outlay ceiling will be shown as reserves. When requested by the Office of Management and Budget, apportionment and reapportionment forms (Standard Form 132) will also be required for selected trust funds and other funds which are now exempt from apportionment under Circular No. A-34.

5. Policies. The following policies will be observed:

a. Agency programs will be managed in such a manner as to promote maximum utilization of staffing and other resources. Increases in productivity will be sought in all areas. Activities which are only marginally effective will be eliminated. Evaluation of ongoing programs should be maintained on a continuing basis, and must be of such a nature as to provide agency management with the ability to discontinue or cut back inefficient, ineffective, or low priority operations, and to reallocate the resources to improve other, more effective activities.

b. For record-keeping purposes, agency outlay ceilings will include outlays under special foreign currency program appropriations. However, since these outlays are offset elsewhere in the budget and do not affect total Government outlays, the agency plan to stay within its outlay ceiling will not include reductions in these accounts.

c. Interagency and interfund payments will not be delayed, nor will collections be speeded up for the purpose of operating within established ceilings. All such payments and collections should be made on a normal schedule consistent with usual practices.

d. Payments of salary or other withholdings into deposit funds will not be deferred to keep within outlay ceilings.

e. Delays in payments to outside payees will be avoided. On the other hand, authorized advance payments to grantees and contractors should be held down to the maximum feasible extent.

CASPAR W. WEINBERGER
Deputy Director

Attachments

ATTACHMENT A
Bulletin No. 71-2

PUBLIC LAW 91-305

TITLE V

LIMITATION ON FISCAL YEAR 1971 BUDGET OUTLAYS

Sec. 501. (a) Expenditures and net lending (budget outlays) of the Federal Government during the fiscal year ending June 30, 1971, shall not exceed \$200,771,000,000: *Provided*, That whenever action, or inaction, by the Congress on requests for appropriations and other budgetary proposals varies from the President's recommendations reflected in the Budget for 1971 (H. Doc. 91-240, part 1), the Director of the Bureau of the Budget shall report to the President and to the Congress his estimate of the effect of such action or inaction on budget outlays, and the limitation set forth herein shall be correspondingly adjusted: *Provided further*, That the Director of the Bureau of the Budget shall report to the President and to the Congress his estimate of the effect on budget outlays of other actions by the Congress (whether initiated by the President or the Congress) and the limitation set forth herein shall be correspondingly adjusted, and reports, so far as practicable, shall indicate whether such other actions were initiated by the President or by the Congress.

(b) (1) In the event the President shall estimate and determine that budget outlays during the fiscal year 1971 for the following items (the expenditures for which arise under appropriations or other authority not requiring annual action by the Congress) appearing on page 49 of the Budget for 1971, namely:

- (i) items designated "Social security, medicare, and other social insurance trust funds";
- (ii) the item "National service life insurance (trust fund)";
- (iii) the item "Interest"; and
- (iv) the item "Farm price supports (Commodity Credit Corporation)"

will exceed the estimates included for such items in the Budget for 1971, the President may, after notification in writing to the Congress stating his reasons therefor, adjust accordingly the amount of the overall limitation provided in subsection (a).

(2) In the event the President shall estimate and determine that receipts (credited against budget outlays) during the fiscal year 1971 derived from:

- (i) sales of financial assets of programs administered by the Farmers Home Administration, Export-Import Bank, agencies of the Department of Housing and Urban Development, and the Veterans' Administration; and
- (ii) leases of lands on the Outer Continental Shelf;

will be less than the estimates included for such items in the Budget for 1971, the President may, after notification in writing to the Congress stating his reasons therefor, adjust accordingly the amount of the overall limitation provided in subsection (a).

(3) The aggregate amount of the adjustments made pursuant to paragraphs (1) and (2) of this subsection shall not exceed \$4,500,000,000.

(c) The Director of the Bureau of the Budget shall report periodically to the President and to the Congress on the operation of this section. Such reports shall be made at the end of each calendar month during the second session of the Ninety-first Congress and at the end of each calendar quarter thereafter.

ATTACHMENT B
Bulletin No. 71-2

INSTRUCTIONS FOR PREPARING THE "REPORT ON ACTIONS
AFFECTING THE AGENCY OUTLAY CEILINGS UNDER PUBLIC LAW 91-305"
(Exhibit 1)

This report will contain information on the effect of completed congressional action or inaction on agency outlay ceilings imposed under the Government-wide statutory limitation for 1971.

- Line 1. Enter the amounts called for in each column as reflected in the tentative 1971 outlay ceiling received from the Office of Management and Budget.
- Line 2. For all programs covered by the agency outlay ceiling, enter the changes resulting from congressional inaction or from completed congressional action.

As a general rule the submission of information on congressional inaction on legislative proposals other than appropriations will be deferred until the report that is due after the adjournment of this session of Congress.

In contrast, each monthly report should reflect the results of completed congressional action on appropriation items and on other legislation which causes a change in amount. Specifically, the outlay effect of the following will be reported after final action by the Congress:

- (1) changes in appropriation bills;
- (2) changes in substantive acts which provide budget authority without subsequent appropriation action; and
- (3) changes in acts which make subsequent appropriations and outlays mandatory.

The amount shown on line 2a will be the net total of the effect on outlays and offsetting receipts of all actions or inactions reported in previous monthly reports; there will, therefore, be no entries on this line for the first report.

In the first report, the net total of the changes that occurred to date will be identified on line 2b. (In subsequent reports, that line will show changes occurring since the last report.) In either case, this entry will be supported by a listing of the appropriation items in which changes occurred because of completed congressional action. Where the outlay effect of the congressional change is significant, the appropriation item will be listed separately; the remaining appropriation items in which there were minor congressional changes may be grouped under an entry "Other." If this listing would cause the report to exceed one page, provide the listing on an attachment. Whenever the rationale for the estimates or reestimates for items on line 2b would not be entirely clear from the report itself, attach a brief explanation.

Line 3. Enter the sum of lines 1 and 2.

NOTE: The column for "Offsetting receipts and intragovernmental transactions" will exclude loan collections deposited to miscellaneous receipts. The latter will be netted in the columns for "Federal funds" and "Trust funds," as appropriate, in the same manner as in Part 5 of the 1971 Budget.

Due date. These reports will be prepared in 3 copies, and submitted to the Office of Management and Budget by September 16, 1970, and by the 16th of each succeeding month. Each report will cover actions through the 12th of the month for which the report is made. If no change has taken place, a written report to that effect will still be required.

EXHIBIT 1
Bulletin No. 71-2

REPORT ON ACTIONS AFFECTING THE AGENCY OUTLAY CEILINGS
UNDER PUBLIC LAW 91-305

[NAME OF AGENCY]

Period ending _____

	Outlays (in thousands)			Net total
	Federal funds (gross)	Trust funds (gross)	Offsetting receipts and intragovernmental transactions	
1. Tentative 1971 outlay ceiling				
2. Changes resulting from completed con- gressional action or inaction (+ or -): .				
a. Total changes previously reported				
b. Changes since the last report: [*] ...				
[List]				
3. Total				

[* Attach brief explanation if necessary.]

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

BULLETIN NO. 71-1

July 20, 1970

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Excess foreign currencies

1. Excess currencies. The Treasury Department has determined that our supply of currencies of the following countries is excess to our normal requirements for fiscal years 1971 and 1972:

Burma	Israel	Poland
Guinea	Morocco	Tunisia
India	Pakistan	U.A.R. (Egypt)
		Yugoslavia

During fiscal year 1971, special foreign currency program appropriations will be available for incurring obligations payable in these currencies.

Special Foreign Currency Programs in Israel

The limited availability of excess Israeli currency for special foreign currency programs requires continued restraint. Therefore, obligations under these programs may only be made within ceilings established by the Office of Management and Budget.

In the interim, controls over obligations incurred under special foreign currency programs payable in Israeli currency, which are included in 1970 apportionments, will continue in effect.

2. Near excess currencies. The supply of local currencies available for U.S. programs in the following countries is above our immediate needs, but in no case sufficient to be declared excess:

Ceylon	Indonesia
Ghana	Sudan

EXECUTIVE SECRETARIAT OF THE PRESIDENT

3. Utilization of excess and near excess foreign currencies.
 Full utilization of these currencies in lieu of U.S. dollars must still be an objective of every agency with transactions in the respective countries. Consistent with our international agreements, travelers must insure that transportation and foreign subsistence expenses when going to, through, or from an excess or near excess currency country are paid in those currencies. Obligation documents for grants or for regular program expenses in those countries should specify that payment is to be made in the local currencies.

Agencies should encourage non-government organizations, with which they have sponsorship arrangements, to obtain their local currency requirements from U.S. Government -- either through local accommodation exchanges or through the Treasury Department in Washington, D.C.

Office of Management and Budget Circular No. A-20 describes the policies and procedures for the use of excess and near excess foreign currencies. Department of State Foreign Currency Bulletins give further details as to the locations of accommodation exchanges, many helpful suggestions on arranging for such travel, and the latest information concerning those countries which limit the use of the currencies for payment of travel expenses.

GEORGE P. SHULTZ
 Director