

OMB Bulletin TQ-3

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**EXECUTIVE OFFICE OF THE PRESIDENT**

**OFFICE OF MANAGEMENT AND BUDGET**

WASHINGTON, D.C. 20503

BULLETIN NO. TQ-3

September 28, 1976

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Installation of push-button telephones

1. Purpose. This Bulletin establishes fiscal year 1977 and 1978 policy for the installation of push-button telephones.

2. Policy. No agency shall install push-button telephones in present locations or new office space unless they are required for use by handicapped persons, required for data transmission, will reduce existing costs, or are provided without extra cost. Conversions in process shall be halted unless circumstances make continuation in the government's interest.

3. Expiration date. This bulletin is effective immediately and remains in effect until September 30, 1978, unless rescinded.

4. Implementation. Agency heads shall take appropriate steps to implement the policy established by this Bulletin. Questions regarding implementation may be addressed to Automated Data and Telecommunications Service, Agency Services Division, General Services Administration, 566-0784. Agencies exempt from GSA oversight as specified in FPMR 101-35.102 should address inquiries to the Office of Management and Budget, Economics and Government Division, 395-6156.

A handwritten signature in black ink, appearing to read "James T. Lynn".

James T. Lynn  
Director

OMB BULLETIN TQ-2

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No response necessary. See OMB Bulletin 76-4  
Dtd: 8/13/75



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

BULLETIN NO. TQ-2

August 28, 1976

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Preparation and submission of 1978 "current services" estimates

1. Purpose. These instructions cover the preparation and submission of "current services" estimates for fiscal years 1977 and 1978, in addition to revised budget estimates for FY 1977. These instructions apply to all agencies of the Government including the Legislative Branch, the Judiciary, and off-budget Federal agencies.

2. Background. Section 605 of the Congressional Budget Act of 1974 (P.L. 93-344) requires the President to submit the proposed budget authority and estimated outlays that would be included in the budget for the ensuing fiscal year (1978) if all programs and activities were carried on at the same level as the fiscal year in progress (base year--1977) and without policy changes. The Act also requires submission of supporting information such as the rate of inflation, the rate of real economic growth, the unemployment rate, program caseloads, and pay increases. The Congress -- in particular, the Congressional Budget Office, the Joint Economic Committee, and the Budget Committees -- will use the current services information to estimate the general size and direction of the budget and to serve as a base against which alternatives, including the President's budget, can be evaluated.

3. Basis for the estimates.

a. Revised amounts for 1976 and 1977. The July update of the 1977 Budget revised budget authority, outlay, and receipt estimates to reflect the then current status of the Budget. The 1976 amounts should now be updated to reflect actual experience; revised outlay amounts should be consistent with the end-of-year figures released by the Treasury Department on July 26, 1976 in the "Final Treasury Statement of Receipts and Outlays of the United States

Government." If additional changes are warranted for 1977 based on more recent information, these estimates should be updated as of October 2. The reasons for making changes should be limited to the following:

(1) Revised estimates due to congressional action (or inaction).

(a) The estimates should reflect enactment of substantive legislation of a mandatory nature--generally those public laws providing budget authority not requiring appropriations. Amounts that have been authorized for appropriation in enacted discretionary legislation will be reflected only to the extent specifically requested or approved by the President.

(b) The estimates will continue to reflect unenacted Administration legislative proposals but will assume an effective date of April 15, 1977 if an earlier date had been assumed previously.

(c) Only enacted (i.e., signed by the President) appropriations (not the effects of House, Senate or conference action alone) will be included, together with the effect of deferrals released pursuant to congressional action and the release of proposed rescissions due to congressional inaction.

(2) Administration initiatives. Changes should be limited to:

(a) budget amendments and supplementals transmitted, or approved and pending in OMB (the final compilation of estimates will be adjusted by OMB to include only those items that have been approved by the President);

(b) new deferral or rescission proposals transmitted,

(c) new legislative proposals transmitted or publicly supported by the President that affect budget authority, outlays, or receipts. Budget authority and outlays related to a new legislative proposal should be submitted on a separate SF 307-T (SSD) with the account identification code containing transmittal code 2, "Proposed for later transmittal under proposed legislation." Legislative proposals related to receipts should be separately identified in the receipts file computer listing

(to be supplied) and coded "L". These transmittal codes should be used to provide separate identification of new legislative proposals (whether transmitted to the Congress or not) until enactment of the proposal.

(d) Other initiatives approved by the President.

(3) Reestimates. Reestimates should include the effect of changes in workload, revised economic assumptions provided by OMB, or other uncontrollable factors and changes in offsetting receipts. In some cases, reestimates will require congressional approval of an appropriation request (e.g., reestimates of participation in public assistance programs). Reestimates requiring subsequent congressional action should be submitted as follows:

(a) If a changed appropriation request (supplemental or amendment) has not yet been transmitted, the reestimate should be submitted on a separate SF 307-T with an account identification code containing transmittal code 3, "Proposed for later transmittal under existing legislation."

(b) If already transmitted as an amendment, the reestimate should be included in the regular account.

(c) If already transmitted as a supplemental, the reestimate should be submitted on a separate SF 307-T using transmittal code 1, "Supplemental under existing legislation," or, in rare cases, code 4, "Supplemental, additional authorizing legislation required."

b. Current services base estimates for FY 1977. The current services estimates for 1977 will constitute the base estimates from which the 1978 current services estimates will be determined. They should be derived from the 1977 revised budget estimates developed in accordance with section 3a above, by using the following adjustments:

(1) The current services estimates should exclude the effect of all legislative proposals that have not been enacted by October 2, 1976. For this purpose, assume that rescissions pending before the Congress will not be enacted, and that deferrals will not be overturned.

(2) The estimates should reflect the current services economic assumptions provided by OMB.

(3) If 1977 appropriations have not been enacted, alternative bases will have to be used. In the case of major procurement and construction programs that are largely governed by amounts contained in annual authorizing legislation, adequate appropriations to permit the orderly execution of enacted authorizing legislation should be assumed in the absence of completed appropriation actions. For other programs, estimates will be based on the levels contained in the continuing resolution in effect on October 27. The 1977 amounts requested by the President, but not enacted, should not be used.

c. Current services estimates for FY 1978. The current services estimates for 1978 should reflect the anticipated costs of continuing on-going Federal programs and activities at 1977 current services base levels without policy changes (i.e., ignoring all pending legislative proposals, Presidential and congressional). The estimates should allow for the expected future implications of current law and for anticipated changes of a relatively uncontrollable nature (as distinct from policy changes). More specifically:

(1) The current services estimates should include the effects of legislation signed into law on or before October 2, 1976, even if the effective date of the legislation is later. All pending legislative proposals, including pending rescissions, will be excluded. It should be assumed that deferral actions will continue in effect for the period specified in the Special Message transmitted to the Congress under the Impoundment Control Act of 1974 (unless overturned by the Congress by October 27, 1976).

(2) Programs that expire under existing laws should not be assumed to carry forward if the activities or benefits are clearly temporary or one-time (such as the \$500 payment to social security beneficiaries or temporary commissions scheduled to expire). All recurring programs whose authority is scheduled to expire will be assumed to continue.

(3) Estimates will not be adjusted for price increases beyond October 2, 1976 except to the extent required or specifically permitted by current law, or as approved by OMB for fully-funded, multi-year major procurement, construction, and research and development programs for major systems. Statutory Federal pay increases, not yet effective, will not be included in the

estimates prepared by agencies. A separate Government-wide allowance will be developed by OMB.

(4) Estimates for benefit programs (see Attachment A) that have legislated cost-of-living increases (such as social security and food stamps) or whose outlays increase automatically with rising prices (such as medicare and medicaid) should be adjusted from the 1977 current services base estimates for (a) changes in beneficiary and average benefit levels due to economic or demographic factors; (b) anticipated inflation (based on price assumptions provided by OMB); and (c) enacted legislation that changes the entitlement formula or coverage of the program.

(5) Estimates for benefit programs that do not have legislated cost-of-living increases (such as veterans compensation and pensions) should be adjusted from the 1977 current services base estimates only for (a) anticipated changes in beneficiary and average benefit levels due to economic or demographic factors; and (b) enacted legislation that changes benefit levels or coverage of the program. These programs should not be adjusted for inflation, since this would require a change in existing law.

(6) Federal employment will be assumed to remain level. Productivity increases will be assumed to offset growth in workloads except for major uncontrollable changes. Other exceptions are permissible only when the authorizing statutes specifically provide for either rising or declining employment and must be approved by OMB.

(7) Grants to State and local governments that are not benefit programs (such as public service employment, education grants, or mass transit grants) should be adjusted only for the implications of current law and unexpended balances of budget authority from prior years. In the case of annual appropriations, assume the same program level (generally, budget authority) as in the 1977 current services base estimates. Outlays under these programs should not be adjusted for inflation beyond October 2, 1976 unless such adjustment is specifically provided for by law.

(8) Offsetting receipts should be estimated based on current law and should reflect any anticipated future changes that would take place without changes in law (such as changes estimated from the economic assumptions to be provided by OMB or more specific economic developments related to the particular receipt activity).



(9) Estimated budget authority for all other Federal activities such as caseload programs, construction, procurement, operations and maintenance, loans, and subsidies should be held at the 1977 current services base level unless changes are required by current law or prior contracts and commitments. Estimated budget authority and outlays under these programs should not be adjusted for inflation beyond October 2, 1976 unless such adjustments are specifically provided for by law, or as approved by OMB for fully-funded, multi-year major procurement, construction, and research and development programs for major systems. In general, estimated budget authority and outlays for major projects (e.g., the space shuttle, water resources projects, the nuclear breeder reactor, and major weapons systems) will be determined by following the approved construction, development, and/or procurement schedules. However, in cases where the approved construction schedule is usually not met due to constrained appropriation levels, assume the same budget authority as included in the current services base year (1977).

#### 4. Materials required.

a. OMB will provide each agency three copies of computer listings of the following files from the second 1977 Budget update, which was transmitted to the Congress on July 16: the Supplementary source document (SSD) file, and the Receipt account data (RAD) file. One copy will be retained by the agency, while two copies will be marked up and returned to OMB.

(1) Supplementary source document file. The file will contain amounts for fiscal years 1976 and 1977 included in the Budget update transmitted to Congress on July 16. It will be used as the basis for agency review and submission of any revised budget information for 1976 and 1977, as well as for current services estimates for 1977 and 1978. All submissions will use the new 11-digit account identification codes (OMB Circular No. A-11, Revised, section 21.3).

The file should be annotated as follows:

(a) Current services estimates for 1977 and 1978 should be provided by entering amounts under the correct heading.

(b) Revision to the 11-digit identification code and changes to the amounts should be made in red by

drawing a single line through the earlier entry and recording legibly the revised entry.

(c) For accounts not currently in the file, agencies will provide the data through submission of an original and one copy of SF 307-T. Accounts containing permanent budget authority, current and permanent budget authority, and/or multiple functions will submit the substitute format for section B described in section 41.3 of OMB Circular No. A-11, Revised. The amount column headings will be "1976 actual," "1977 rev. est.," "1977 cs base," and "1978 cs est." Agencies should be prepared to furnish, upon request, an explanation of the changes made.

(d) Amounts for enacted supplemental requests should be deleted from the separate schedule in the file and incorporated in the regular schedule (with the account identification code containing transmittal code 0).

(2) Receipt account data file. This file is a computer listing of receipt data included in the July Budget update. Accuracy of the data will be verified and the left margin annotated in the same manner as for the SSD file (see paragraph 4a above). Revised amounts will be entered in red. Agencies should be prepared to furnish, upon request, an explanation of the changes marked. For accounts not currently on the file, estimates will be coded and entered in the same format on the supplied listings.

b. Back-up material. An analysis of changes in the format of Exhibit I will be submitted for program estimates with major budget authority or outlay differences (more than \$100 million) and for major benefit programs identified in Attachment A.

(1) Major differences in program estimates. In the analysis of changes, agencies will explain major differences in budget authority or outlays (more than \$100 million) between:

(a) the July estimate and the revised 1977 budget estimate,

(b) the revised 1977 budget estimate and current services base estimate for 1977, and

(c) the current services base estimate for 1977 and the 1978 current services estimate.

The analyses should cite the major reasons for the differences and identify the amount associated with each. Explanations need not be provided at the account level of detail; conventional aggregations (e.g., at a bureau or major program level) may be used provided they are not inconsistent with separately identifying benefit programs as provided below.

As a rule, differences between the revised 1977 budget estimates and current services base estimates for 1977 for programs other than benefit programs should result only from:

- proposed legislation (Administration proposals included in the revised 1977 budget estimates should be excluded from current services estimates), and

- current services estimates that reflect the levels provided in authorizing legislation or a continuing resolution if the 1977 appropriations have not been enacted (as provided in section 3b above).

Differences between the 1977 current services base and 1978 current services estimates should be explained in terms of:

- the 1978 effects of previously enacted authorizations, appropriations, and other legislation;

- expiration of temporary programs;

- price increases provided for under current law, or as provided by OMB for fully-funded, multi-year major procurement, construction, and research and development programs for major systems;

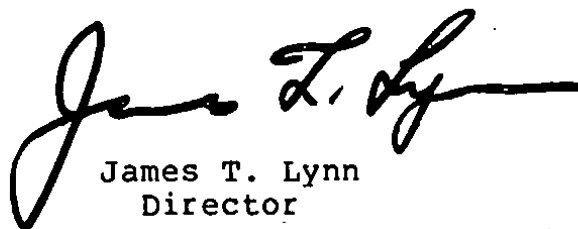
- prior year contracts and obligations;

- anticipated changes in relatively uncontrollable programs or offsetting receipts.

(2) Major benefit programs. For the benefit programs identified in Attachment A, agencies must indicate the number of beneficiaries assumed in 1977 and 1978. A brief explanation of differences between 1977 current services base estimates and the revised 1977 budget estimates is also required. Differences between the revised 1977 budget estimates and the current services base estimates should be explained in terms of (a) proposed

legislation included in the revised 1977 budget estimates, and (b) different economic assumptions. The revised 1977 budget estimates and the current services base estimates for 1977 should not differ because of reestimates. Differences between the 1977 current services base and 1978 current services estimates may be explained by identifying changes resulting from (1) mandatory CPI increases, (2) benefit increases resulting from enacted legislation, (3) changes in the number of beneficiaries, and (4) higher earnings records for new beneficiaries and, in the case of budget authority for certain trust funds, higher receipts. If requested, agencies should also be prepared to identify the effect of alternative economic assumptions.

5. Timing of submission. The materials required by section 4 of this Bulletin will be submitted no later than October 6, 1976.



James T. Lynn  
Director

Attachments

ATTACHMENT A  
Bulletin No. TQ-2

Major Benefit Programs

Military Retired Pay  
Medicare  
Medicaid  
Social Security (OASDI)  
Railroad Retirement  
Special Benefits for Disabled Coal Miners  
Civil Service Retirement and Disability  
Unemployment Trust Fund  
Federal Unemployment Benefits and Allowances  
Supplemental Security Income  
Grants to States for Maintenance Payments  
Housing Assistance  
Food Stamps  
School Lunch and Other Nutrition  
Earned Income Credit Payments  
Veterans Compensation  
Veterans Pensions  
Veterans Readjustment Benefits

EXHIBIT 1  
Bulletin No. TQ-2

## Department of Government

Analysis of Changes  
(in millions of dollars)

	<u>Budget Authority</u>	<u>Outlays</u>
July estimate of 1977 budget authority and outlays.....	41,312	31,046
Enactment of 1977 appropriations (Department of Government Approp- riations Act, 1977).....	-271	-212
Congressional inaction on proposed legislation to reduce Federal share of Arctic exploration costs (the revised budget esti- mates assume an effective date of April 15, 1977).....	241	241
All other changes, net.....	<u>---</u>	<u>61</u>
Revised 1977 budget estimate.....	41,282	31,136
Exclusion of proposed legislation to reduce costs of Arctic ex- ploration (estimate covering period from 4-16-77 to 9-30-77).	241	241
Exclusion of proposed rescission of Antarctic construction funds currently pending in the Con- gress (R76-12).....	220	102
Other rescissions.....	<u>7</u>	<u>5</u>
1977 Current services base estimate.	41,750	31,484
Benefit payments for disabled explorers:		
Automatic cost-of-living in- creases (5.2% in June 1977 and 4.9% in June 1978).....	100	100
Beneficiaries (average number assumed to increase from 425,000 in 1977 to 450,000 in 1978).....	<u>125</u>	<u>125</u>
Total benefit payments.....	<u>225</u>	<u>225</u>

	<u>Budget Authority</u>	<u>Outlays</u>
Ocean floor exploration program (outlays from prior-year balances).....	---	106
Expiration of temporary program to study animal life in desert environments.....	-150	-140
Other changes, primarily outlays from prior year contracts in water quality research programs.	---	26
1978 Current services estimate.....	41,825	31,701

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DDA

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1- OGC ... who handles PR in OGC

FYI - DDA has action.

O/Comptroller

1- AO/DCI

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## OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

BULLETIN NO. TQ-1

July 13, 1976

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Report on Costs of Implementing the Privacy Act of 1974

1. Purpose. This Bulletin establishes procedures for a one-time report on the cost of complying with the Privacy Act of 1974 in order to permit an evaluation of the overall costs and effects of the Act.

2. Reporting Instructions.

a. General consideration:

(1) Reports should consist of agencies' best estimates of the costs of implementing the Act. Agencies should not establish separate permanent cost reporting systems to meet this reporting requirement.

(2) Many of the provisions of the Privacy Act prescribe record-keeping practices which are not unique to the Privacy Act. Therefore, only the incremental costs incurred as a direct consequence of the Privacy Act should be included in this report. For example, the workload estimates and associated costs of granting access to records should be based on the agency's estimate of the increase in such activity due to the Act, not the total cost of granting access to individuals under other agency procedures or the Freedom of Information Act. (It is recognized that, for many agencies, this can only be based on a rough estimate of the level of activity which would have existed absent the Privacy Act.)

(3) Where appropriate, the workload projections or assumptions on which estimates are based should be explained.

(4) If the agency expects annual recurring cost for future years (FY 77 and after) to be materially different from first year operating costs (e.g., because of workload projections) it should base the report on projected first

year operating costs and describe in an accompanying narrative how later year costs can be expected to vary. See paragraph d, below, regarding the period covered by this report.

b. Content of the Report -- Provide estimates of start-up (one-time) and operating (recurring) costs for each of the following:

(1) Publication requirements -- Report all costs for the development, publication, and distribution of rules, notices, administrative procedures, revisions to agency forms, notices to the public, and other publications required under the Act.

(2) Training -- Report both the cost of developing and conducting agency training (including training materials) and costs associated with participation of employees in training programs conducted by other central agencies such as the Civil Service Commission.

(3) Granting access -- Report the net costs associated with receiving, recording, reviewing and responding to requests for access to records as well as appeals of denials of access. This element should include only those costs directly attributable to activity under the Privacy Act. Workload estimates for inquiries and requests for access under the Privacy Act should be reduced by the levels of similar activity which existed prior to the Act. The development of any new procedures should be shown as one-time costs.

(4) Correcting records -- Report the costs associated with receiving, recording, reviewing, and responding to requests for correction of records including appeals of denial of such requests. As above, only the cost of additional activity directly attributable to the Privacy Act should be included.

(5) Security and control -- Report the cost of complying with the requirements to establish appropriate administrative and physical safeguards to protect the security and integrity of agency records beyond those otherwise necessary (e.g., for fiscal integrity, national security, or continuity of agency operations). Include both the costs of development or acquisition of hardware or computer programs to monitor or control agency record-keeping systems; costs for safeguarding files manually

maintained in files, safes or other special storage areas; and any other costs of developing and operating safeguards.

(6) Accounting for disclosures -- Report both the initial and continuing costs associated with accounting for disclosures. Include costs associated with development of any special administrative procedures or modifications of computer programs to permit maintenance of accounting records. Also include costs associated with the compilation and disclosure of accounting records to individuals exercising their rights under the Act.

(7) New data collection procedures -- Report the direct costs, if any, incurred by the agency because of limits imposed by the Act on the agency's ability to obtain information; e.g., costs associated with the establishment of new/separate data collection processes to seek information directly from individuals rather than from other agencies.

(8) All Other Costs -- Report any other costs attributable to the Act and specify the purpose of each. Such costs might include lost revenue from sale or rental of mailing lists, cost of preparing reports on new systems and the annual report, and the cost of any litigation including costs or damages awarded in actions in which the plaintiff prevailed.

(9) Reductions from Records/Systems eliminated -- Report the savings as a result of reports and systems eliminated as a consequence of a review of systems subject to the Act.

(10) Collections -- Report fees paid by individuals for copies of their records as provided for in 5 U.S.C. 552a(d)(1) and (f)(5).

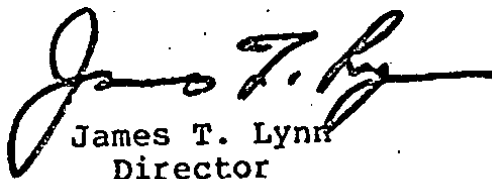
c. Report Format -- A standard format for agency reports is shown as the Exhibit to this Bulletin. A single agency summary is required for each agency although subsidiary detailed reports for major record-keeping subelements of the agency may be provided at the agency's option. If supporting material includes extensive tabular data, agencies should devise such formats as they deem appropriate to present the material. No special format is prescribed for any accompanying narrative which the agency deems relevant.

d. Reporting Period -- Start up costs will include any one-time costs incurred from January 1, 1975 through September 30, 1976. Operating costs should cover the period September 27, 1975 through September 30, 1976.

e. Distribution of the Report -- Provide two copies of the report to the Office of Management and Budget (Attn: Information Systems Division).

f. Timing -- Reports should be submitted to the Office of Management and Budget not later than August 31, 1976.

3. Inquiries. Inquiries may be addressed to the Information Systems Division, OMB (395-4814 or IDS 103).

  
James T. Lynn  
Director

Attachment

PRIVACY ACT OF 1974

PART IV - INCREMENTAL COST OF IMPLEMENTATION

\_\_\_\_\_  
AGENCY

\_\_\_\_\_  
BUREAU (optional)

(\$ Outlays)

	START UP*	OPERATING**
1. Publication Requirements		
2. Training		
3. Granting Access		
4. Correcting Records		
5. Security and Control		
6. Accounting for Disclosures		
7. New Data Collection Procedures		
8. All Other Costs		
9. Reductions from Records/Systems Eliminated (deduct)		
10. Collections (deduct)		
TOTAL		

\* Start up costs will include any one-time costs incurred from January 1, 1975 through September 30, 1976.

\*\* Operating costs should cover the period September 27, 1975 through September 30, 1976.