

OMB BULLETIN No. 78-18

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

BULLETIN NO. 78-18

September 20, 1978

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Reduction in 1979 administrative travel

1. Purpose. This Bulletin provides instructions to carry out a Government-wide reduction in administrative travel during fiscal year 1979. It also requires an initial agency report on the planned reductions in administrative travel and a follow-up report on the results of the reduction.

2. Background. OMB Bulletin No. 78-13 instructed the agencies to minimize travel costs, particularly by reducing trips to conferences and avoiding first class air travel. In a further effort to help the fight against inflation, the President has directed a 20% reduction in administrative travel in fiscal year 1979 (Attachment A). He has also reiterated the need to hold all travel, including travel for program purposes, to essential needs.

3. Coverage. The 20% reduction in administrative travel applies to each agency that has been provided funds for travel and transportation of persons (object class 21). It covers all administrative travel of Executive Branch personnel, military and civilian, and other persons when travel expenses are paid by the U.S. Government.

4. Definition. For the purposes of this Bulletin, administrative travel includes all travel that is not directly related and essential to the performance of a Federal program or mission. Examples of administrative travel are:

- attendance or participation at conferences, meetings, or symposia of organizations;
- attendance at training courses that are not specific requirements for job performance;
- visits to field offices for general surveillance of their operations;

- routine or periodic trips to attend staff meetings;
- familiarization trips for new employees; and
- travel to staff retreats.

Administrative travel that is paid from program funds, such as the travel of overhead personnel when charged to specific projects, is included in the definition of administrative travel.

5. Reporting requirements. As soon as possible after 1979 appropriations are enacted, but no later than November 17, 1978, agencies will submit a report on their initial plans to reduce administrative travel by 20 percent. Information will be reported in the format of Exhibit 1 including:

- the total dollar amount of administrative travel included in object class 21 (in terms of obligations) for 1978 and the amount planned for 1979;
- the dollar amount that represents at least a 20% reduction in administrative travel in 1979; and
- a discussion of the adjustments made to 1979 travel plans to achieve the reduction identifying:
  - o the specific types of administrative travel that will be reduced or foregone; and
  - o the types of programmatic travel exempted from the reduction.

Agencies should be prepared to provide information on the status of the reduction during the fiscal year. At the end of fiscal year 1979 and no later than November 16, 1979, agencies will submit a follow-up report on the actual results of the travel reduction in the format of Exhibit 2.

6. Use of savings realized from the travel reduction effort. Each agency will use the savings from the reduction in administrative travel to meet increased costs of fiscal year 1979 civilian and military pay raises effective in October 1978 and wage board pay raises effective in fiscal year 1979.

However, where travel reductions result in withholding of appropriations from obligation, the reporting requirements

prescribed by the Impoundment Control Act of 1974 apply, as set forth in OMB Circular No. A-34 and OMB Bulletin No. 75-15. In such cases, rescission proposals or deferral reports will be prepared and submitted to OMB for inclusion in a special message on rescissions and deferrals to be transmitted with the President's 1980 Budget in January, 1979.

7. Inquiries. Inquiries and requests for assistance should be directed to the OMB representative responsible for reviewing the agency's budget estimates.

  
James T. McIntyre, Jr.  
Director

Attachments

ATTACHMENT A  
BULLETIN NO. 78-18

THE WHITE HOUSE  
WASHINGTON

SEP 1 1978

MEMORANDUM FOR THE HEADS OF  
EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Reduction in 1979 Administrative Travel Costs

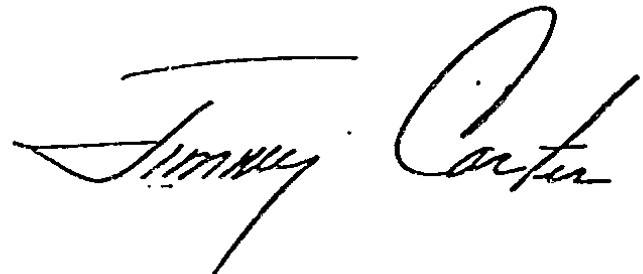
It is extremely important at this time, when we are trying to hold down inflation, that every effort be made to reduce Government travel costs. All travel must be limited to the absolute minimum necessary to carry out your programs.

Specifically, I ask that you reduce fiscal year 1979 administrative travel costs by 20% below the amount estimated in the 1979 budget transmitted to the Congress. Administrative travel is defined to include all travel that is not directly related and essential to the performance of a Federal program.

While I am not directing that travel for program purposes be reduced by a specific amount, I do ask that you limit all travel to purposes that are clearly necessary and cannot be accomplished effectively in any other way. The proper management of travel should permit reduction in travel budgets for program as well as for administrative purposes.

I am asking the Director of the Office of Management and Budget to provide Government-wide instructions to achieve this reduction.

I count on your full cooperation in directing your agency to help reduce the amounts spent for Government's travel.

A handwritten signature in black ink, reading "Jimmy Carter". The signature is written in a cursive style with a large, sweeping "C" at the end.

DEPARTMENT OF GOVERNMENT

Planned Reductions in 1979 Administrative Travel  
(In thousands of dollars)

Total amount (obligations) of travel in object class 21.0 in the 1979 Budget	\$ _____
Amount (obligations) of administrative travel in object class 21.0:	
-- that occurred in 1978.....	\$ _____
-- planned for 1979.....	\$ _____
Amount for 1979 that represents at least a 20% reduction.....	\$ _____

Discussion of the adjustments made to 1979 travel plans to achieve the reduction.

(Note: Identify separately (a) specific types of administrative travel to be reduced or foregone; and (b) types of programmatic travel to be exempted.)

EXHIBIT 2  
BULLETIN NO. 78-18

DEPARTMENT OF GOVERNMENT

Actual Reductions in 1979 Administrative Travel  
(In thousands of dollars)

Amount (obligations) of administrative travel reduced..... \$ \_\_\_\_\_

Discussion of adjustments made to 1979 travel plans to achieve the reduction.

(Note: Identify separately (a) specific types of administrative travel reduced or foregone; and (b) types of programmatic travel that were exempted from reduction.)

OMB BULLETIN No. 78-17

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EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

BULLETIN NO. 78-17

August 30, 1978

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Revision of Multi-Year Planning Estimates and Long-Range Projections

1. Purpose and Background. This bulletin provides instructions for the preparation of materials containing multi-year planning estimates and long-range projections. Section 23.1 of OMB Circular No. A-11 provides general instructions concerning multi-year planning estimates and long-range projections, and advises agencies that they will be provided with a computer listing (the Long-Range Data and Update Form) to be used to prepare their initial submissions of these estimates and projections. These estimates and projections should reflect the cost of programs and initiatives that have been approved by the President. The effect of unapproved initiatives proposed by the agencies in their 1980 budget requests should not be included for this initial reporting purpose.

2. Basis for the revised estimates and projections. Amounts for 1978-83 will be revised to reflect changes due to reestimates, approval of Administration initiatives, and congressional action or inaction and to project the budgetary effects through 1984.

a. Reestimates. Agencies should adjust the estimates and projections where appropriate to reflect significant changes in spending trends and other actions or events. The new amounts should be based on revised economic assumptions, which will be supplied by OMB.

b. Administration initiatives. Agencies should revise the estimates and projections to reflect significant changes due to:

(1) budget amendments and supplementals transmitted to Congress, or approved by OMB for transmittal;

(2) deferral or rescission proposals transmitted;

(3) legislative proposals transmitted or explicitly supported by the President that affect budget authority, outlays, or receipts; and

(4) other initiatives approved by the President.

c. Congressional action or inaction. Agencies should revise estimates and projections to reflect changes due to Congressional action or inaction, including enacted appropriations, delayed enactment of proposed legislation, enacted authorizations, and action or inaction on deferrals and rescissions. The effect of reduction proposals by the Administration should be included as proposed, unless delays in enactment require modification of the estimates or Congress has taken an action that clearly requires a revision. Revisions attributable to enactment of discretionary authorizations for appropriations should reflect only the amounts that have been specifically requested or approved by the President to be requested as appropriations.

In preparing revised estimates for legislative proposals not yet enacted by the Congress, agencies should assume an effective date of December 1, 1978, where an earlier date had been assumed previously unless the likelihood of earlier enactment is clear or a later enactment is specifically evident.

### 3. Materials required.

a. Computer listing. OMB will provide each agency with four (4) copies of the Long-Range Data and Update Form (Exhibit 1). The agencies will return three (3) updated copies no later than September 20, 1978. This computer listing will display agency, bureau and account titles. The line entries will vary depending on the level of aggregation. Entries generally will follow the level of detail and format of the Budget Accounts Listing (BAL) of the Budget of the United States Government for Fiscal Year 1979. The amounts shown under "latest estimates" will be those used for the Mid-Session Review of the 1979 Budget, July 1978. Detailed instructions for revising the form are provided in the attachment.

b. Covering memorandum. Agencies will submit three (3) copies of a covering memorandum that will explain any significant changes (in excess of \$50 million) in the

estimates from those projected in the Mid-Session Review. In cases where approved changes in appropriation structure (see section 11.4 of OMB Circular No. A-11) necessitate the addition or deletion of line entries, the approved account title, 11-digit identification code, and the budget authority and outlays for 1978 through 1984 will be included in the covering memorandum.

4. Timing. Agencies will submit the required information to OMB no later than September 20, 1978.

5. Inquiries. Inquiries and requests for assistance should be directed to the appropriate OMB budget examiner.

*James T. McIntyre, Jr.*

James T. McIntyre, Jr.  
Director

Attachment

Attachment  
Bulletin No. 78-17

INSTRUCTIONS FOR THE REVISION OF LONG-RANGE DATA  
AND UPDATE FORM (Exhibit)

1. Purpose. This attachment provides instructions on revising Long-Range Data and Update Forms to reflect the current status of amounts for 1978-84.

2. General instructions.

a. As described in paragraph 2 of this bulletin, the base years, 1978 and 1979, will be updated. The budget year, 1980, multi-year planning estimates for 1981-82, and long-range projections for 1983-84 will reflect the future budget authority, outlays, and offsetting receipts implicit in the program levels, initiatives, and economy measures approved by the President, whether publicly announced or not. No discretionary changes are to be assumed in programs unless they are the result of explicit Presidential commitments. The projections should not anticipate future policy decisions. However, they should reflect any specific Presidential decisions made for any point in the the planning period.

b. In general, amounts will not be included for future (beyond 1979) price increases or Federal pay raises. These amounts will be computed by OMB and included in an aggregate allowance, except that:

(1) Beneficiary programs will reflect inflation adjustments required by law;

(2) Where OMB has approved inclusion of anticipated future price increases for certain multi-year, fully-funded major procurement or construction programs (e.g., the space shuttle; nuclear reactors; major weapons systems; research, development, testing, and evaluation for major systems; and strategic petroleum reserves) such anticipated increases will be reflected in estimates of budget authority, outlays, and offsetting receipts in accordance with the economic assumptions supplied by OMB.

c. In general, growth in agency workload will be assumed to be offset by productivity increases so that related employment should not increase. Personnel currently authorized will be utilized to the maximum extent in staffing new programs and expansions of existing programs.

A reduced number of personnel should be planned where workload is stable.

d. Ongoing programs whose authority expires during the projection period will be projected at the level of the program in the year prior to its expiration, unless there are specific policy determinations to the contrary. Programs that are clearly one-time or temporary, such as temporary study commissions, should not be reflected beyond the year of their planned expiration.

e. Projections for benefit payments.

(1) Unemployment insurance benefits estimates should be consistent with the aggregate unemployment rate assumptions supplied by OMB.

(2) Medicare and Medicaid program estimates should be based on HEW forecasts and the latest actual information available. Assumptions on medical care prices related to the consumer price index, utilization rates, number of beneficiaries, etc., will be developed jointly by the agency and OMB.

(3) Other benefit payment program estimates (including OASDI; railroad retirement; civil and uniformed services retirement; supplemental security income; and veterans' compensation, pension, and readjustment benefits) should be calculated by multiplying the expected number of beneficiaries in each future year by average benefit payments per beneficiary for each future year. The average payments should be increased to take into account increases in the earnings base on which the benefit is computed, unless existing law or Administration supported legislation provides otherwise. When existing or proposed legislation provides for automatic cost-of-living adjustments, the result should further be multiplied by the consumer price index or other adjustment factor supplied by OMB. The effect of proposed legislation should be shown separately.

3. Specific instructions.

a. Lines should not be added to or deleted from the computer listing. In cases where accounts must be added or deleted, the information will be included in the covering memorandum prescribed in paragraph 3(b) of this bulletin.

b. When entering amounts on the Long-Range Data and Update Form:

(1) Annotate the computer printouts provided by OMB in red.

(2) If the dollar amount for any year is to be changed, enter the amount in the space immediately below that number on the line marked "CORRECTIONS." If no change is needed, leave the space blank on the line below the number.

(3) Show the amounts in thousands of dollars.

(4) Specify the number of entries made on each "CORRECTIONS" line in the column titled "#CHG" (number of changes). Enter "0" if there are no changes.

c. The following abbreviations are used on the form:

(1) BA -- budget authority

(2) O -- outlays

(3) P.L. BA -- effect on budget authority of proposed legislation.

(4) P.L. O -- effect on outlays of proposed legislation.

(5) OR -- offsetting receipts, from either intra-governmental transactions or proprietary receipts.

(6) P.L. OR -- effect of proposed legislation on offsetting receipts.

d. Proposed legislation, as used here, means "proposed for later transmittal under proposed legislation." Proposed legislation in the out-years should be treated in the same manner as in the budget year, i.e., the changes in budget authority and outlays attributable to proposed legislation should be identified separately in the line(s) for proposed legislation in all of years affected. For example, in the Exhibit (Health Care Financing Administration), the changes caused by the proposed legislation are reflected in lines 089100 and 089300.

e. Generally, offsetting receipts have been aggregated at the agency level and split by subfunction and controllability code. These codes (e.g., (551)(120)) appear directly to the right of the resource measure abbreviation (e.g., "BA") on each line of the listing.

PAGE 29 LONG RANGE DATA AND UPDATE FROM: FALL REVIEW AS OF 08/23/78 09:46  
 PREPARED BY: J.P. ANALYST  
 TELEPHONE: 395-4520  
 C  
 F  
 G

	1978 CURRENT ESTIMATE	1979 CURRENT ESTIMATE	1980 CURRENT ESTIMATE	1981 CURRENT ESTIMATE	1982 CURRENT ESTIMATE	1983 CURRENT ESTIMATE	1984 CURRENT ESTIMATE
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NOTE: IF ANY AMOUNT FIELD IN THIS PRINTOUT IS CORRECT AS SHOWN, THEN LEAVE BLANK THE CORRESPONDING AMOUNT POSITION ON THE FOLLOWING DUPLICATE LINE LABELLED "CORRECTIONS". OTHERWISE, THESE CORRECT AMOUNTS WILL BE RE-ENTERED NEEDLESSLY. IF ANY AMOUNT IS INCORRECT AS SHOWN, THEN ENTER THE CORRECT AMOUNT IN THE CORRESPONDING POSITION ON THE FOLLOWING DUPLICATE LINE LABELLED "CORRECTIONS". EACH AMOUNT FIELD IS PRECEDED BY A PARENTHESIZED FIELD CODE. THESE CODES ARE FOR KEYPUNCHING PURPOSES (THEY DO NOT REPRESENT BUDGET DATA AMOUNTS); THEREFORE, PLEASE IGNORE THEM. COLUMN 6 SHOWS THE SUBFUNCTION CODE FOR EACH LINE ITEM. FOLLOWING IT IS THE CONTROLLABILITY CODE. BE SURE TO INSERT AMOUNTS IN 9000 AND FILL IN YOUR NAME AND PHONE NUMBER IN THE SPACE PROVIDED ABOVE. THANK YOU.  
 ABBREVIATIONS: BA=BUDGET AUTHORITY; D=OUTLAYS; J=OFFSETTING RECEIPTS; P.L.=PROPOSED LEGISLATION. SEE OMB BULLETIN 78-17.

HEALTH CARE FINANCING ADMINISTRATION

GRANTS TO STATES FOR MEDICAL

	1978	1979	1980	1981	1982	1983	1984
LATEST ESTIMATES							
089000 BA (551)(120) (26)	10699000 (28)	11603000 (30)	12756952 (32)	14087542 (34)	15429691 (36)	16849453 (38)	
CORRECTIONS							
089000 BA (551)(120) 1 (26)							18267500
LATEST ESTIMATES							
089100 P.L.BA(551)(265) (26)	-5000 (28)	260100 (30)	128600 (32)	-32000 (34)	-151000 (36)	-342000 (38)	
CORRECTIONS							
089100 P.L.BA(551)(265) 7 (26)	0 (28)	-5000 (30)	260100 (32)	128600 (34)	-32000 (36)	-151000 (38)	-342000
LATEST ESTIMATES							
089200 O (551)(120) (26)	10678785 (28)	11603000 (30)	12756952 (32)	14087542 (34)	15429691 (36)	16849453 (38)	
CORRECTIONS							
089200 O (551)(120) 2 (26)	10687300 (28)						18667500
LATEST ESTIMATES							
089300 P.L. (551)(265) (26)	-2000 (28)	260100 (30)	128600 (32)	-32000 (34)	-151000 (36)	-342000 (38)	
CORRECTIONS							
089300 P.L. (551)(265) 7 (26)	0 (28)	-2000 (30)	260100 (32)	128600 (34)	-32000 (36)	-151000 (38)	-342000
TOTAL BA	10699000	11603000	12756952	14087542	15429691	16849453	
TOTAL P.L.BA	-5000	260100	128600	-32000	-151000	-342000	
TOTAL J	10678785	11603000	12756952	14087542	15429691	16849453	
TOTAL P.L. O	-2000	260100	128600	-32000	-151000	-342000	
TOTAL BA-NET	10694000	11863100	12895552	14055542	15278691	16507453	
TOTAL O-NET	10676785	11863100	12895552	14055542	15278691	16507453	

OFFSETTING RECEIPTS

	1978	1979	1980	1981	1982	1983	1984
LATEST ESTIMATES							
103300 OR (551)(265) (26)	-7242961 (28)	-7763913 (30)	-8732000 (32)	-10165000 (34)	-11754000 (36)	-13498000 (38)	
CORRECTIONS							
103300 OR (551)(265) 1 (26)							-15501000
LATEST ESTIMATES							
103400 P.L. (551)(265) (26)	24000 (28)	24000 (30)	27000 (32)	79000 (34)	108000 (36)	132000 (38)	
CORRECTIONS							
103400 P.L. (551)(265) 5 (26)	0 (28)	0 (30)	0 (32)	0 (34)	0 (36)	0 (38)	

BULLETIN NO. 78-17

OMB BULLETIN NO. 78-16

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EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

BULLETIN NO. 78-16

June 30, 1978

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Reducing the Number of Executive Branch Reports to the Congress

1. Purpose. This Bulletin provides instructions for the identification of possibilities for elimination, consolidation, or other modification of recurring reports to Congress whether required by law or by request.

2. Background. The President intends to make recommendations to Congress for simplifying and improving the flow of information between the Executive and Congress. The General Accounting Office is working with staff of Congressional committees to review executive branch reports to Congress and will inform OMB of reports it believes can be simplified or eliminated. Agencies have already provided GAO with summary information about their reports to Congress. These may be useful in preparing the materials now required. OMB will forward to GAO recommendations resulting from each department and agency review. The President will make his recommendations to Congress on proposals for change after full coordination and consultation with the departments and agencies, GAO and the Congressional committees.

3. Material required. Material should be presented in the following format:

<u>Report Title</u>	<u>Statutory Authority*</u>	<u>Frequency</u>	<u>Recommended Change</u>	<u>Principal Reason for Recommendation</u>
---------------------	-----------------------------	------------------	---------------------------	--

\*Date of original request if not required by statute.

Material should be sent within sixty days of receipt of this Bulletin to Stanley E. Morris, Deputy Associate Director for Regulatory Policy and Reports Management, Office of Management and Budget, Room 10202, New Executive Office Building, Washington, D.C. 20503.

4. Attachment. Attached is a sheet listing suggested criteria for use in review of Reports to Congress.

5. Notification and inquiries. Please notify Mr. Robert Raynsford on 395-3814 of the officials in your agency who will be responsible for this review. Inquiries concerning this Bulletin may also be directed to Mr. Raynsford.

  
James T. McIntyre, Jr.  
Director

Attachment

Attachment

CRITERIA FOR USE IN REVIEW OF REPORTS TO  
CONGRESS

- I. Possibilities for Simplification
  - A. Consolidation of Several Reports
  - B. Reduction in reporting frequency
- II. Duplication and Overlap with Other Reports
  - A. Information provided to Congress by agency in another form
  - B. Information provided by other agencies or the public
- III. Reporting burden and other costs
  - A. Cost/Burden to reporting agency and other Federal agencies
  - B. Cost/burden of information collected from outside the Federal Government
- IV. Uses
  - A. Use to reporting agency
  - B. Use to Congress in opinion of agency
    - 1. Original rationale for requiring report
    - 2. Is this rationale still valid?
    - 3. Is there some evidence on actual use of information by Congress?

OMB BULLETIN No. 78-15

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**EXECUTIVE OFFICE OF THE PRESIDENT**

**OFFICE OF MANAGEMENT AND BUDGET**

WASHINGTON, D.C. 20503

BULLETIN NO. 78-15

June 30, 1978

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Transferring Certain Circular Responsibilities  
from Office of Telecommunications Policy to the  
Office of Management and Budget

1. Purpose. This Bulletin transfers responsibility to the Office of Management and Budget for Office of Telecommunications Policy Circular 12, "Government Communications Planning Program," dated October 12, 1973, (attached including Transmittal Memorandum No. 1, dated March 4, 1974), and OTP Circular 13, "Federal Use of Commercial Telecommunications Service," dated June 21, 1974, (attached).

2. Background. The Director of the Office of Telecommunications Policy, in accordance with his responsibilities under Executive Order 11556, issued various Circulars concerning the procurement and management of Federal telecommunications systems. Executive Order 12046 entitled "Relating to the Transfer of Telecommunications Functions," effective March 26, 1978, assigned OMB the responsibility for developing and establishing policies for procurement and management of such systems. Consistent with these responsibilities, OMB is now reviewing policy issues related to Federal telecommunications in order to clarify existing policy guidelines in this area and to develop policy statements as appropriate.

3. Policy.

a. OTP Circular 12 is cancelled. Revised government communications planning and reporting requirements will be developed by OMB in coordination with the National Telecommunications and Information Administration and the General Services Administration. Cancellation of OTP Circular 12 does not relieve agencies of their responsibility for telecommunication planning, the coordination of such plans with other agencies as appropriate, justifying requirements for telecommunication

resources through the normal budget process and complying with all applicable policies in the acquisition and management of telecommunication resources.

b. The provisions of OTP Circular 13 remain in effect.

4. Effective Date. This Bulletin is effective immediately.

5. Inquiries. Inquiries about this Bulletin should be addressed to OMB, Information Systems Policy Division, 395-3785.

  
James T. McIntyre, Jr.  
Director.

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF TELECOMMUNICATIONS POLICY  
Washington, D.C. 20504

October 12, 1973

OTP CIRCULAR NO. 12

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Government Communications Planning Program

1. Purpose. This Circular sets forth policies and establishes procedures for a coordinated Government planning program for telecommunications systems and services required by Government agencies in the conduct of their activities.

2. Objective. The objectives of the coordinated Government planning program established by this Circular are:

- To promote more effective use of communications technology, resources, and services by Government agencies;
- To permit better evaluation of existing and planned communications systems;
- To help achieve the optimum degree of coordination, compatibility, and resource sharing in Federal communications programs; and,
- To promote economy in the Government's use of communications.

3. Approach. The communications services used by the Government can be divided into two general classes.

One is the class of services which are widely used and common to many agencies, where the efficiency or cost-effectiveness of the service is a paramount consideration. These services are most economically provided on a common user basis. The General Services Administration is responsible for planning such services.

OTP CIRCULAR NO. 12

October 12, 1973

The other class of services supports operational functions in support of particular agency missions, in which cost considerations must yield to performance or security factors. These services have some characteristics in common, but often cannot be adequately satisfied by general purpose systems designed to provide the most economical bulk services. These services are most efficiently provided by systems or services planned by those responsible for the mission.

4. Mission Area Planning. Many communications systems have unique operational reasons for their existence, but there are areas in which agencies with similar missions have separate but similar systems. In each of these areas, a greater degree of coordinated communications planning is desirable.

Four broad mission areas have been identified, which require such treatment:

- National Security
- Transportation
- Environment
- Law Enforcement.

To achieve the necessary improvements in Government-wide planning in these mission areas, the following agencies are designated to take leading and participating roles in coordinated communications planning:

National Security - Lead Agency: Department of Defense as Executive Agent, National Communications System - Participants: Departments of State, Defense, and Transportation, Central Intelligence Agency, General Services Administration.



OTP CIRCULAR NO. 12  
October 12, 1973

Transportation - Lead Agency: Department of  
Transportation - Participants: Departments of  
Defense and Commerce, National Aeronautics and  
Space Administration.

Environment - Lead Agency: Department of Commerce -  
Participants: Environmental Protection Agency,  
Departments of Defense, Interior and Transportation.

Law Enforcement - Lead Agency: Department of Justice -  
Participants: Departments of Treasury and Interior.

Other Executive branch agencies not identified above may be invited by Lead Agencies to participate as appropriate for specific purposes.

5. Implementation. Each Mission Area Group will develop an annual summary plan for its area of responsibility including appropriate treatment of requirements, system plans, alternatives, cost, performance, standards, interconnections, and other relevant aspects. The General Services Administration will prepare a comparable plan for general-purpose Government systems. OTP will provide pertinent planning guidance at the beginning of each planning cycle. These summary plans should cover five years from the date of submission and should be transmitted to the Office of Telecommunications Policy, Executive Office of the President, Washington, D.C. 20504, no later than August 15th of each year. OTP will review these plans to determine compliance with overall Federal Government telecommunications policy, including evaluation of whether an appropriate degree of compatibility and resource sharing is represented in the plans. The determinations made by OTP on such plans will be reported to the agencies involved and to the Office of Management and Budget for their consideration with respect to planning, programming, and budgeting, and to GSA as appropriate for consideration with respect to their planning and procurement actions.

6. Effective Date. This Circular is effective immediately.

Clay T. Whitehead  
Director

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF TELECOMMUNICATIONS POLICY  
Washington, D.C. 20504

March 4, 1974

Circular OTP No. 12  
Transmittal Memorandum No. 1

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Relationship of GSA FPMR 101-35 to OTP  
Circular No. 12

1. Purpose. This Transmittal Memorandum clarifies the intent of the Circular as a planning document and amplifies procedures for submission of annual summary plans by Mission Area groups.

2. Revised instructions.

a. Paragraph 1 is changed to "Purpose and Scope" and is revised to add the following: It is not intended to affect existing procurement authorities.

b. Paragraph 5 is amended to add in the 12th line after "each year," the following sentence: Services, facilities and systems reported in these plans need not be reported to the GSA under the reporting requirements of the applicable FPMR's.

Paragraph 5 is further amended to put a period after "budgeting" in the 19th line and to change the remainder to a new sentence reading: Copies of the plans will be made available by OTP to GSA for consideration with respect to their planning and procurement actions, and for appropriate recommendations to OTP with respect to interconnection, sharing, or cost savings.

Clay T. Whitehead

OFFICE OF TELECOMMUNICATIONS POLICY

EXECUTIVE OFFICE OF THE PRESIDENT

WASHINGTON, D.C. 20504

June 21, 1974

OTP CIRCULAR NO. 13

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Federal Use of Commercial Telecommunication Service

1. Purpose. This Circular establishes guidelines designed to clarify the normal Federal role as a user, rather than a provider, of telecommunication service. The policy emphasizes the need to place maximum reliance on the private sector in providing telecommunication services to the Federal Government.

2. Background. It is a long-standing policy of the Federal Government to rely on the private enterprise system to satisfy its needs. In the area of telecommunications, this policy has generally been followed. However, in the absence of further guidance, agencies have been free to choose between two different approaches: the procurement or lease of telecommunication facilities (which are then used to produce a service), or the direct purchase of telecommunication service. Both approaches depend on the private sector, but the nature of dependence is distinctly different.

Agencies which procure facilities, rather than services, are forced to maintain staffs with all of the expertise necessary to develop the detailed system design. The service approach, while not eliminating the need for in-house telecommunication staffs, will shift more of the burden for system design and detailed equipment specification to the private sector. The level of in-house design-oriented expertise necessary to insure that proposed service offerings are sound depends on type and frequency of procurement actions in which the agency is engaged.

The following statement of policy is designed to distinguish between these two approaches and to emphasize that purchasing service directly is preferred.

3. Policy. The Federal Government places heavy reliance on the private sector in providing telecommunication service for its own use. This means that all functions normally associated with providing the service shall be performed by the private sector. These functions include design, engineering, system management and operation, maintenance and logistical support.

OTP CIRCULAR NO. 13  
June 21, 1974

In order to emphasize the government's proper role as a user, any proposal designed to provide needed telecommunication service, which requires the Federal Government to perform any of the "provider" functions such as those listed above, shall be adopted only if commercial service is:

- 1) not available to the user during the time needed;
- 2) not adequate from either a technical or operational standpoint; or
- 3) significantly more costly.

A non-commercial service approach is acceptable if such an approach will result in significant savings over an otherwise acceptable commercial service offering. To be considered significant the savings must exceed 10% of the cost of the commercial service. The cost estimate of the non-commercial approach must include, as a minimum, all of the factors called out by OMB Circular A-76. If the proposed approach involves heavy investment, rapid obsolescence or uncertain requirements, the minimum savings threshold should be increased to reflect these factors.

4. Administration and Scope. This policy applies to the telecommunication activities of the Executive Branch which take place in the United States, its territories and possessions, the District of Columbia or the Commonwealth of Puerto Rico.

Agency heads are responsible for the implementation of this policy within their own organization. However, in the case of requirements which, under current authorities, must be submitted to the General Services Administration, it is the responsibility of GSA to determine the appropriate use of commercial service in accordance with this Circular. A report describing the implementation of this Circular shall be provided to OTP by each agency within six months of the policy issuance date.

5. Authority. This Circular is issued pursuant to the responsibilities set forth in Executive Order 11556.

Clay T. Whitehead  
Director

OMB BULLETIN No. 78-14

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EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

BULLETIN NO. 78-14

May 26, 1978

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Information required for the Mid-Session Review of the 1979 Budget

1. Purpose. These instructions cover the preparation and submission of information required for the Mid-Session Review of the 1979 Budget and to bring the multi-year planning base up to date. OMB plans to transmit the Mid-Session Review to the Congress by July 1, 1978.

2. Background. For the purpose of preparing the Review, OMB must obtain:

- revisions in the estimates of budget authority, outlays, and offsetting receipts for 1978 and 1979 that were contained in the March 13 update of the budget;
- revised estimates of budget authority, outlays, and offsetting receipts contained in the 1979 Budget for the 1979-81 planning base and projections for the two succeeding years (1982-83) for each account; and
- estimated outlays for the years 1980-83 from balances of budget authority estimated for controllable programs at the end of 1979.

The Mid-Session Review will present the current status of the President's Budget, including estimates for Government-owned entities outside the budget totals. The detailed information contained in the Review, together with supporting data, will be used by the Congress in connection with its budget scorekeeping responsibilities and for the development of the second concurrent resolution.

Agencies should pay particular attention to current spending trends to ensure that outlay estimates are realistic. The

March 13 update of the 1979 Budget reduced estimates of 1978 spending by a net \$8.7 billion. Even with this sizeable reduction, it appears that certain programs may require further downward adjustments to their 1978 estimates. These overestimates in 1978 spending also raise questions about the validity of the 1979 estimates. Agencies, especially those whose 1978 estimates have been adjusted downward since January, should pay particular attention to revising their 1979 estimates to eliminate potential outlay shortfalls. The same attention applied to revising the 1978 and 1979 estimates should also be carried through to the 1980 and 1981 planning base estimates and the projections out to 1983.

3. Materials required. OMB will provide for agency use three (3) copies of the Supplementary Source Document (SSD) file for 1977-79, the Receipt Account Data file for 1977-79, and the Long-Range Data and Update Form for 1979-83. In addition, some agencies will receive three (3) copies of a file with information on unexpended FY 1979 balances based on data contained in the 1979 Budget. The agencies should use this information in the following manner:

a. Supplementary Source Document (SSD) file. This file contains the SSD Section A amounts (analysis of budget authority and outlays) from the March 13 update of the 1979 Budget. SSD sections B and C (distribution of outlays and character classification) were not revised for the March 13 update; the SSD file contains the original 1979 Budget amounts for these sections. It will be used as the basis for agency review and submission of data for revising the first year of the multi-year planning base and in preparing the Mid-Session Review.

The file should be annotated as follows:

(1) For accounts to which no changes are necessary, the file should be marked with a check (✓) in the left margin opposite the 11-digit identification code.

(2) Changes to the 11-digit identification code may be required as follows, due to a change in the transmittal status of proposed amounts (see OMB Circular No. A-11, section 21.4):

-- All enacted supplementals should be merged with other enacted amounts.

-- The transmittal status for amounts in the budget that were proposed for later transmittal under proposed legislation (transmittal code 2) should be reviewed. If only the authorizing legislation has been transmitted, the transmittal code 2 should be retained, regardless of whether authorization has been enacted. If the authorization request has been enacted and the appropriation request transmitted, the transmittal code should be changed to "Supplemental under existing legislation" (transmittal code 1).

-- The three rescission proposals that were included in the 1979 Budget and were later accepted by the Congress should now be merged with other enacted amounts. Any new "rescission pending" items should be added (see (5) below).

(3) Changes in the budget estimates should be made in red by drawing a single line through the earlier entry and legibly recording above it the current entry.

(4) Enacted pay supplementals and their associated outlays should be merged into the "Appropriation" and "Outlays" entries (lines 40 or 43 and 90 of the SSD, Section A).

(5) For accounts not currently in the file, agencies will provide data through submission of an original and one (1) copy of the SSD (S.F. 307) prepared in accordance with instructions contained in sections 33.1-33.4 of OMB Circular No. A-11, Revised. The first amount column will be left blank, and the remaining columns headed "1978" and "1979" will be completed.

(6) Care should be taken to assure that the SSD B and C sections agree with SSD section A.

b. Receipt account data file. This file is a computer listing of receipt data included in the March 13 update. Accuracy of the data will be verified and the left margin annotated in the same manner as for the SSD file (see paragraph 3a). Revised amounts will be entered in red.

c. Long-Range Data and Update Form. This listing displays agency, bureau, and account titles, with line numbers identifying each account (see Exhibit 1). These



data represent the March 13 update estimates for 1979 and the January Budget projections for 1980-1983.

Agencies should enter in red on this listing reestimates of 1979-83 amounts. The 1979 reestimates should be those reported to update the Supplementary Source Document File (see paragraph 3a). The 1980-81 estimates should reflect the current planning base, taking into account all publicly announced Presidential policies since the 1979 Budget was issued. The 1982-83 projections should indicate the degree to which the President's current 1979-81 budget plans commit financial resources of subsequent years. These estimates and projections will be prepared in accordance with the instructions in Attachment A.

d. End of year unexpended balances file. This file is a computer listing containing estimates of unexpended balances of controllable programs as reflected in the 1979 Budget. Agencies will revise the amounts for 1979 and estimate the spendout of these balances in future years in accordance with the instructions in Attachment B and in the format of Exhibit 2.

e. Transmittal letter. Agencies will submit an original and one copy of a transmittal letter. This letter will include a brief narrative explanation of major changes (in excess of \$50 million) to the estimates of total budget authority, outlays, and receipts, and should identify the addition or deletion of accounts from the long-range projections file, as required in Attachment A. Since the report to Congress for the Mid-Session Review will discuss major changes in the estimates for 1978-83, the transmittal letter must cover all such changes for this period.

Agencies will include with the transmittal letter an Analysis of Changes table prepared in the format of Exhibit 3. This table will provide a bridge from the 1979 Budget to the March 13 estimates and from the March 13 estimates to the current estimates for 1978-81. The table will separately identify all major changes included in the narrative explanation portion of the transmittal letter. Other smaller changes may be combined in an "All other changes, net" entry.

4. Basis for the revised estimates. Amounts for 1978-83 will be revised to reflect changes due to reestimates, publicly-announced Administration proposals, and congressional action or inaction.

a. Reestimates. Agencies should review the estimates and make adjustments where appropriate to reflect current spending trends and other actions or events that affect the estimates. The new estimates should also reflect any changes in economic assumptions since transmittal of the previous estimates. Economic assumptions to be used in preparing new estimates will be provided by OMB by June 1.

b. Administration initiatives. Estimates should be revised to reflect changes due to:

(1) 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);

(2) deferral or rescission proposals transmitted;


(3) legislative proposals transmitted or publicly supported by the President that affect budget authority, outlays, or receipts; and

(4) other initiatives approved by the President (specifically including urban initiatives for which funds have not yet been requested).

c. Congressional action or inaction. Revisions to the estimates should reflect changes due to congressional action or inaction, including enacted appropriations, delayed enactment of proposed legislation, enacted authorizations, and action or inaction on deferrals and rescissions. The effect of reduction proposals by the Administration should be included as proposed, unless delays in enactment require modification of the estimates or Congress has taken an action that clearly requires a revision. Revisions attributable to enactment of discretionary authorizations for appropriations should reflect only the amounts that have been specifically requested or approved by the President to be requested as appropriations.

In preparing revised estimates for legislative proposals not yet enacted by the Congress, agencies should assume an effective date of October 1, 1978, where an earlier date had been assumed previously unless the likelihood of earlier enactment is clear.

6. Timing of submissions. Agencies should submit two (2) copies of each of the required materials to OMB no later than June 9, 1978.

  
James T. McIntyre, Jr.  
Director

Attachments

Attachment A  
Bulletin No. 78-14

INSTRUCTIONS FOR THE REVISION OF LONG-RANGE DATA  
AND UPDATE FORM (Exhibit 1)

1. Purpose. This attachment provides instructions on revising long-range data and update forms to reflect the current status of amounts for 1979-83.

2. General Instructions.

a. Planning base estimates for 1979-81 and projections for 1982-83 will reflect the future budget authority, outlays, and offsetting receipts implicit in the program levels, initiatives, and economy measures publicly approved by the President. No discretionary changes are to be assumed in programs unless they are the result of specific public Presidential commitments. The projections should not anticipate future policy decisions. However, they should reflect any specific Presidential decisions made for the planning period that affect later years.

b. In general, amounts will not be included for anticipated price increases or future Federal pay raises. These amounts will be computed by OMB and included in an aggregate allowance. The exceptions to this general rule are:

(1) Beneficiary programs will reflect inflation adjustments required by provisions of law.

(2) Where approval has been given to agencies by OMB for inclusion of anticipated future price increases for certain multi-year, fully funded major procurement or construction programs (e.g., the space shuttle, nuclear reactors, major weapons systems, and strategic petroleum reserves) and for RDT&E for major systems, such anticipated increases will be reflected in projections of budget authority and outlays in accordance with the economic assumptions supplied by OMB.

c. In general, growth in agency workload will be assumed to be offset by productivity increases so that related employment will not increase. Personnel currently authorized will be utilized to the maximum extent in staffing new programs and expansions of existing programs,

and a reduced number of personnel should be planned were workload is stable.

d. On-going programs whose authority expires during the projection period will be projected at the level of the program in the year prior to its expiration, unless there are specific policy determinations to the contrary. Programs that are clearly one-time or temporary, such as temporary study commissions, should be allowed to expire.

e. Projections for benefit payments:

(1) Unemployment insurance benefits. Estimates for these benefits should be consistent with the aggregate unemployment rate assumptions supplied by OMB.

(2) Medicare and medicaid. Projections for these programs should be based on HEW forecasts and the latest actual information available. Assumptions on medical care prices related to the Consumer Price Index, utilization rates, number of beneficiaries, etc., will be developed by the agency and OMB.

(3) Other benefit payments (Including: OASDI; railroad retirement; Civil Service and military retirement; supplemental security income; and veterans compensation, pensions, and readjustment benefits). Benefit payments per beneficiary should be increased to take into account increases in the earnings base (where applicable) on which the benefit is computed, unless existing law or Administration-supported legislation provides otherwise. The projections should be calculated by multiplying the expected number of beneficiaries in each future year by average benefit payments per beneficiary. For those programs for which existing or proposed legislation provides for automatic cost-of-living adjustments, the result should further be multiplied by a Consumer or other Price Index adjustment factor to be supplied by the Office of Management and Budget. Proposed legislation to increase or decrease such benefits should be shown separately.

3. Specific Instructions

a. Lines should not be added to or deleted from the computer listing. In cases where accounts must be added or deleted to make the long-range computer data file consistent with the current master account title file, the agency will include this information in the transmittal letter described in paragraph 3(e) of this Bulletin. The information should

include the account title, the 11-digit identification code, and the estimated budget authority and outlays for 1979 through 1983.

b. When entering amounts on the Long-Range Data and Update Form:

(1) If the dollar amount for any year is to be changed, enter the correct amount in the space immediately below that number on the line marked "CORRECTIONS." If no change is needed, leave the space blank on the line below the number;

(2) Show the amounts in thousands of dollars;

(3) Specify the number of entries made on each "CORRECTIONS" line in the column titled "NUMBER OF CHANGES." Enter "0" if there are no changes.

c. The following abbreviations are used on the form:

(1) BA -- budget authority

(2) OUTLAYS -- outlays

(3) PROP LEG (BA) -- effect on budget authority of proposed legislation

(4) PROP LEG (O) -- effect on outlays of proposed legislation

(5) OFF REC -- offsetting receipts, from either intra-governmental transactions or proprietary receipts.

(6) PROP LEG (OR) -- effect of proposed legislation on offsetting receipts.

c. Proposed legislation, as used here, means "proposed for later transmittal under proposed legislation". Proposed legislation in the out-years should be treated in the same manner as in the budget year, i.e., the changes in budget authority and outlays attributable to proposed legislation should be identified separately in the line(s) for proposed legislation in all of years affected. For example, in Exhibit 1 (Office of Education) the changes caused by the proposed legislation are reflected in lines 093000 and 093200.

e. Generally, offsetting receipts have been aggregated at the agency level and split by subfunction and controllability code. These codes (e.g. (501)(265)) appear directly to the right of the resource measure abbreviation (e.g., "BA") on each line of the listing.

Attachment B  
Bulletin No. 78-14

INSTRUCTIONS FOR REPORTING  
ESTIMATED SPENDOUT OF BALANCES OF CONTROLLABLE PROGRAMS

1. Purpose. This attachment provides instructions for preparing the report on estimated spendout of 1979 balances of controllable programs.

2. Coverage. An analysis sheet in the format of Exhibit 2 will be prepared only by agencies that will have unexpended balances (the sum of obligated and unobligated balances) at the end of 1979 in excess of \$100 million. A one line agency total for such balances will be entered on the analysis sheet, with additional detail required for:

a. bureaus with account balances at the end of 1979 of more than \$1 billion;

b. appropriation accounts with 1979 year-end balances of more than \$100 million; and

c. accounts with balances of stand-by and back-up authority; i.e., authority (e.g., for bank deposit insurance) that would not be used except to meet conditions or circumstances that may not occur.

When the detail required by 2a-c does not add to the agency total, an "all other" line will be provided for the remainder.

3. Basis for the estimates. The report will relate to "controllable" programs only (i.e., those shown in the attached "Balances and Outlays from Balances" computer listing). Programs classified as "open-ended programs and fixed costs" in Summary Table 14 of the 1979 Budget are specifically excluded; therefore, the report will not contain all balances.

For the purpose of this report, the term "spendout" means gross disbursements; it is not synonymous with the term "outlays", which means checks issued, net of receipts and disbursements. It is essential that the spendout report disregard receipts and reimbursements and record gross disbursements against unexpended balances. This distinction is particularly important for revolving funds or accounts



where reimbursements represent a major aspect of the financial program.

In estimating the amount of spendout of 1979 balances in each of the fiscal years 1980-1983, the following assumptions should be used:

a. Obligated balances carried forward at the end of 1979 generally will be spent out in 1980. Important exceptions are accounts having a long time lag between obligation and disbursement; e.g., construction and major procurement programs.

b. Unobligated balances will be obligated before new authority, and they generally will be spent out within a year after the obligation is incurred, except as noted in paragraph 3a above. Estimates of the spendout of these balances can usually be based on assumptions concerning obligation levels in 1980 and each year thereafter. Important exceptions include some "earmarked" funds (i.e., dedicated revenues), which will have to be reviewed separately, and accounts with balances of:

- (1) funds that will lapse;
- (2) authority to borrow; or
- (3) contract authority.

4. Required information. Affected agencies will be furnished information from the 1979 budget data file on estimates of unexpended balances and spendout of balances for 1977, 1978 and 1979. Specific instructions for completing the report in the format of Exhibit 2, are set forth below.

Description (col. 1).--This column should include the applicable stub entries contained in the computer listing provided by OMB, together with such additional entries as are deemed desirable.

January budget estimate (col. 2).--This column should contain the applicable amounts provided in the computer listing.

Current estimate (col. 3).--The latest estimate of 1979 balances is equal to the January budget estimate modified to reflect subsequent changes due to congressional action (or inaction), reestimates, and Administration initiatives.

These amounts must be consistent with the effects of any 1978 or 1979 changes reported elsewhere for the Mid-Session Review. Assuming no changes in estimates of expiring authority and of receipts and reimbursements, changes in estimates of budget authority and outlays will have a direct effect on the estimate of the unexpended balance (i.e., an increase in budget authority without a corresponding increase in outlays will result in an equal increase in unexpended balances, while an increase in outlays without a corresponding increase in budget authority will result in an equal decrease in unexpended balances).

Spendout from 1979 balances in 1980-83 (cols. 4-7).-- Enter the amount of spendout of 1979 year-end balances, estimated for each of the fiscal years 1980-1983.

1979 balances as of 9/30/83 (col. 8).--The amount of 1979 balances remaining unexpended at the end of 1983 will include the balances of stand-by and back-up authority that will not be used in the foreseeable future. Expiring balances will be excluded. Footnotes will be included to explain any balances in excess of \$50 million. The explanation for amounts applicable to stand-by or back-up authority need be only "standby authority" or "backup authority" as appropriate.

1979 balances expiring in the 1980-1983 period (col. 9).--Enter the amount of 1979 balances that will expire unused in any of the fiscal years 1980-1983. Footnotes will be included to explain any such balances over \$50 million. The amount in column 3 should be equal to the sum of the amounts in columns 4-9.

PREPARED BY: **John Q. Examiner**  
 TELEPHONE: **Ext. 4520**

SUB FCN	CON TRL	NUMBER OF CHANGES	1979 CURRENT ESTIMATE	1980 CURRENT ESTIMATE	1981 CURRENT ESTIMATE	1982 CURRENT ESTIMATE	1983 CURRENT ESTIMATE
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NOTE: THE 1979 DATA CONTAINED IN THIS FORM REPRESENT THE MARCH 13 UPDATE ESTIMATES. THE DATA SHOWN FOR THE "OUTYEARS" (1980 THROUGH 1983) ARE THE JANUARY BUDGET PROJECTIONS. IF ANY AMOUNT IS INCORRECT AS SHOWN, THEN ENTER THE CORRECT AMOUNT IN THE CORRESPONDING POSITION ON THE FOLLOWING DUPLICATE LINE LABELLED "CORRECTIONS". IGNORE THE PARENTHESIZED FIELD CODES PRECEDING EACH AMOUNT FIELD, THEY ARE USED FOR KEYPUNCHING (THEY DO NOT REPRESENT BUDGET DATA). THE SUBFUNCTION AND CONTROLLABILITY CODES ARE SHOWN FOR EACH LINE ITEM IN COLUMNS 3 AND 4. BE SURE TO INSERT AMOUNTS IN \$1000S AND FILL IN YOUR NAME AND PHONE NUMBER IN THE SPACE PROVIDED ABOVE. INSTRUCTIONS ARE PROVIDED IN OMB BULLETIN NO. 78-14. IF YOU HAVE ANY QUESTIONS NOT COVERED BY THESE INSTRUCTIONS: AGENCIES...CONTACT YOUR OMB EXAMINERS. OMB EXAMINERS...CALL HUGH CONNELLY AT EXTENSION 4520. THANK YOU.

LABOR, VETERANS & EDUCATION DIVISION  
 DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE  
 OFFICE OF EDUCATION

ELEMENTARY AND SECONDARY EDUCATION									
LATEST ESTIMATES	092900	9A	(501)(265)	(28)	3394720 (30)	3394720 (32)	3394720 (34)	3394720 (36)	3394720
CORRECTIONS	092900	9A	(501)(265)	0	(30)	(32)	(34)	(36)	
LATEST ESTIMATES	093000	PROP.LEG.BA	(501)(265)	(28)	400000 (30)	400000 (32)	400000 (34)	400000 (36)	400000
CORRECTIONS	093000	PROP.LEG.BA	(501)(265)	2	300000 (30)	350000 (32)	(34)	(36)	
LATEST ESTIMATES	093100	OUTLAYS	(501)(265)	(28)	3003492 (30)	3265300 (32)	3354600 (34)	3382300 (36)	3390900
CORRECTIONS	093100	OUTLAYS	(501)(265)	1	(30)	3320000 (32)	(34)	(36)	
LATEST ESTIMATES	093200	PROP.LEG.D	(501)(265)	(28)	28000 (30)	284700 (32)	364200 (34)	389000 (36)	396500
CORRECTIONS	093200	PROP.LEG.D	(501)(265)	5	20000 (30)	255700 (32)	360200 (34)	375000 (36)	390500
TOTAL BA					3394720	3394720	3394720	3394720	3394720
TOTAL PROP.LEG.BA					400000	400000	400000	400000	400000
TOTAL OUTLAYS					3003492	3265300	3354600	3382300	3390900
TOTAL PROP.LEG.D					28000	284700	364200	389000	396500

EXHIBIT 1  
 BULLETIN No. 78-14

ESTIMATED SPENDOUT OF BALANCES OF CONTROLLABLE PROGRAMS  
FROM 1979 END-OF-YEAR UNEXPENDED BALANCES OF BUDGET AUTHORITY

(in millions of dollars)

<u>Description</u> (1)	<u>1979 ending balances</u>		<u>Spendout from 1979</u> <u>balances in:</u>				<u>1979</u> <u>balances as of</u>	<u>1979 balances</u> <u>expiring in the</u>
	<u>January</u> <u>Budget</u> <u>estimate</u> (2)	<u>Current</u> <u>estimate</u> (3)	<u>1980</u> (4)	<u>1981</u> (5)	<u>1982</u> (6)	<u>1983</u> (7)	<u>9/30/83</u> (8)	<u>1980-83 period</u> (9)

Department of Government  
Analysis of Changes 1/  
(in millions of dollars)

	<u>1989</u>		<u>1979</u>		<u>1980</u>		<u>1981</u>	
	<u>BA</u>	<u>O</u>	<u>BA</u>	<u>O</u>	<u>BA</u>	<u>O</u>	<u>BA</u>	<u>O</u>
1979 budget estimate .....								
Administration initiatives:								
Program A .....								
Program B .....								
(etc.)								
Reestimates:								
Program C .....								
Congressional action:								
Program A .....								
All other changes, net: .....								
March 13 update .....								
Administration initiatives:								
Program B .....								
Reestimates:								
Program A .....								
Congressional action:								
Program D .....								
All other changes, net: .....								
Current estimate .....								

1/ List major changes of \$50 million or more by specific programs within the change categories. Include and specify in the "Reestimates" category any adjustments for outlay shortfalls.

Exhibit 3  
Bulletin No. 78-14

OMB BULLETIN NO. 78-13

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

BULLETIN NO. 78-13

May 11, 1978

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Control of official travel

1. Purpose. This Bulletin provides guidance on the management and control of official travel to minimize travel costs paid by the U. S. Government. It requires agencies to develop and issue travel instructions consistent with the policy outlined in the Bulletin.

2. Background. The guidance in this Bulletin emphasizes Administration concern that unnecessary use of first class air accommodations be eliminated, as prescribed by a recent amendment to the Federal Travel Regulations issued by the General Services Administration (FPMR 101-7, Temp. Reg. A-11, Supplement 5). The Bulletin also consolidates guidance previously prescribed by the Office of Management and Budget (OMB) Bulletin No. 76-9, dated December 4, 1975 and Supplements 1 and 2, dated January 26, 1976, and July 30, 1976, respectively, and by the OMB Memorandum to the Heads of Executive Departments and Establishments, dated August 17, 1977, concerning Federal participation in conferences, conventions, and symposia.

3. Coverage. This Bulletin covers foreign and domestic travel. It applies to the travel of all Government personnel, military and civilian, as well as to travel of contractor personnel and other persons when travel expenses are reflected in costs paid by the Government.

4. Policy. Agencies will authorize only that amount of travel necessary to accomplish the purposes of the Government effectively and, in each case, at minimum cost. In efforts to eliminate nonessential travel and minimize travel costs, agencies will give special emphasis to curtail the use of first class air travel and travel related to conferences, as follows:

a. Air travel.


(1) Heads of agencies will give personal attention to assure effective implementation of restrictions on authorization, approval, and use of first class air accommodations and semi-annual reporting requirements as prescribed by a recent amendment to the Federal Travel Regulations issued by the General Services Administration (GSA).

(2) The Secretary of Defense and the Secretary of State will amend their respective regulations on official travel of military and foreign service personnel to be consistent with the restrictions on use of air travel contained in the amended GSA Federal Travel Regulations.

b. Travel related to conferences. Agencies will restrict Federal participation in conventions, symposia and conferences, as prescribed by the OMB Memorandum to Heads of Executive Departments and Establishments, dated August 17, 1977, in Attachment A. Accordingly, travel related to attendance at conferences will be authorized and paid for by the Federal Government only to the extent that Federal participation is in line with the guidance in the OMB Memorandum.

5. Methods and Procedures for Control of Official Travel. Heads of agencies will issue instructions setting forth methods and procedures to eliminate nonessential travel and to minimize travel costs in accordance with the guidance in Attachment B and agency travel experience.

6. Effective Date. This Bulletin is effective immediately.

  
James T. McIntyre, Jr.  
Director

Attachments





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

Attachment A  
Bulletin No.78-13

August 17, 1977

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Government-sponsored attendance at conferences

As part of our efforts to increase efficient operations in the Federal Government, attention must be given to overhead costs that may be of questionable value. One area deserving attention is the cost of attendance by Federal employees at conventions, symposia, and conferences.

Participation by Federal employees in conferences that is not essential to the accomplishment of agency missions must be avoided, because attendance results in substantial cost to the Government. This includes conference fees; travel expenses; compensation for employees while attending conferences; and hidden costs, such as the loss of time that would have been spent by employees on accomplishing specific program assignments.

To reduce costs in this area, each agency should immediately review its criteria for authorizing attendance at such meetings. You should assure that the criteria are consistent with this Administration's policy of restricting Government-sponsored participation in conferences to the minimum necessary to accomplish agency missions.

More specifically, please apply the following guidelines to your agency's 1978 and future plans for employee participation in symposia and conferences.

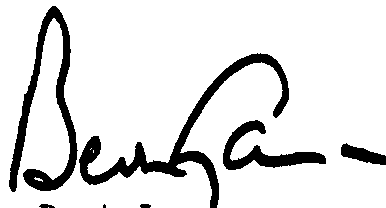
-- Attendance should be limited to meetings where:

- there is a direct benefit to the achievement of an objective related to the agency's mission and
- fees are in line with actual costs.

- Speaking engagements should not be accepted for meetings where fees for Government employees are not in line with actual costs.
- Attendance should not be authorized when the primary benefit is to the individual employee rather than to the accomplishment of the agency's mission.
- Attendance should not be authorized in lieu of personnel benefits, incentives, or rewards for past or present performance.
- Where attendance is appropriate, efforts should be made to minimize associated travel expenses by designating as participants employees who are located at or near meeting sites.
- The number of participants from an agency should be limited to the minimum required to relate the information obtained from the meeting to the achievement of the agency's mission.

In addition, I urge that particular attention be given to meetings held overseas. Procedures should be designed to hold U.S. attendance at overseas meetings to the absolute minimum, by assuring a thorough screening of all requests in accordance with the guidelines outlined above.

The President expects that your 1979 budget requests will reflect these policies. Office of Management and Budget staff have been instructed to focus on this as they review your requests.



Bert Lance  
Director

Methods and Procedures for Curtailment  
of Official Travel and Reduction of Travel Cost

Heads of agencies will issue instructions setting forth methods and procedures to eliminate nonessential travel and to minimize travel costs in accordance with this Attachment and agency travel experience. The agency travel instructions will be based upon the following methods and procedures for the management and control of official travel and the reduction of travel costs.

Agencies are also reminded that they may use subobject classes within object class 21, travel and transportation of persons, for management and control of official travel, provided that these subobject classes are established in accordance with the instructions in OMB Circular No. A-12, Revised, dated July 21, 1977.

General Guidance.

Agency travel instructions will require careful examination of all official travel requests to assure that:

- the purpose of travel is essential for accomplishment of agency programs and missions; and
- the most economical means of transportation available to accomplish the purpose of official travel is used.

Travel instructions should also emphasize that:

- miles traveled and time in travel status be reduced;
- travel associated with conferences be reduced; and
- use of first class air travel be severely restricted.

In addition, the travel instructions should specify that the expenses incurred by each traveler on official business will be those of a prudent person traveling on personal business.

Specific Methods and Procedures for Control of Travel.

In developing travel instructions, agencies should consider the following specific ways in which travel costs can be minimized and nonessential travel eliminated.

1. Control of program-related travel.

a. Review and revise all specific travel authorizations for travel associated with agency program operations, inspection or evaluation to:

- Limit the number of trips, numbers of individuals traveling, points to be visited, itineraries, and duration of travel to matters that are essential to performance of agency missions and cannot be handled by mail or telephone.
- Assure, to the extent possible, that travel is performed for more than a single purpose and visits to more than one city are made in series without return to home station.
- Include the following statement for certification by the approving official: "I certify that the travel herein was reviewed and determined to be essential for the accomplishment of agency programs and missions."

b. Rescind all current blanket or continuous travel authorizations as of a specified date and reissue these types of travel authorizations only for the minimum period necessary for mission accomplishment and not to exceed 90 days in any reapproved base.

c. Review contract provisions and procedures to assure that travel by contractors whose travel costs are directly reflected in prices paid by the Government is held to that which is essential, and cost of such travel is minimized.

d. Review individual travel assignments.

- In view of the extensive travel costs for change of station travel, review policies and procedures affecting employee transfers between official duty stations to reduce such transfers to those essential for mission accomplishment.
- Examine travel assignments at official stations to assure that travel is performed by employees at stations that are in closest proximity to travel destinations.
- Establish procedures to control local travel closely, particularly any authorization for local

travel from an employee's home to a temporary duty station location within the permanent duty station area.

2. Control of travel associated with conference attendance. Travel related to conventions, symposia and conferences should be authorized only to the extent that Federal participation is consistent with the guidelines in the OMB Memorandum to the Heads of Executive Departments and Establishments, dated August 17, 1977. The following methods and procedures should be used to control travel related to conferences.

- Use teleconferencing, whenever appropriate, in lieu of conference attendance.
- Wherever possible, use local training courses to eliminate or minimize travel costs.
- Limit attendance at conferences--when attendance is determined to be necessary for accomplishment of agency missions--to a single individual responsible for summarizing and reporting the results to other staff members.
- Establish procedures to screen all requests for foreign travel to reduce U.S. attendance at foreign conferences to an absolute minimum, and where appropriate, to use U.S. personnel located at or near the conference site.
- Where attendance is appropriate, efforts should be made to minimize travel expenses by designating employees located at or near meeting sites to be participants.

3. Selection of means of transportation.

a. Eliminate use of first class air travel where a less expensive class of travel is available and serves the purpose of official travel. Inform all personnel whose official travel is subject to GSA Federal Travel Regulations that pursuant to an amendment effective April 1, 1978:

- only the agency head or deputy is permitted under limited circumstances to authorize or approve the use of first class air accommodations in specific instances; and

-- the individual traveler is made personally responsible for the additional cost of first class air travel when less than first class accommodations should have been used.

b. Select the method of transportation which will result in the the greatest advantage to the Government considering the cost of per diem, overtime, and lost work time as well as actual transportation costs. Where a traveler, for personal reasons, prefers a method of transportation which does not result in the greatest advantage to the Government, consideration should be given to granting annual leave, if additional travel time is involved, and to permitting the traveler to pay the net cost differential that may result if his personal travel preferences are accommodated.

c. All authorizing officials and travelers should be aware of the substantial savings available by utilizing the General Services Administration's interagency motor pool vehicles and commercial vehicles under Federal Supply Service contracts. Because commercially rented vehicles not under contract are the most costly, their use for official business should be restricted to the most unique situations. Before authorizing use of commercial rental vehicles not under contract, consideration should be given to requiring authorizing officials to certify on travel orders that use of other methods of transportation will not be more advantageous to the Government.

d. Assess alternative modes of travel by common carrier to assure selection of most efficient method when all costs have been considered. For example, in some travel situations, especially between points in the Northeast Corridor (Washington, D.C. - New York - Boston), Amtrak Metroliner Reserve service may be the most advantageous method of travel when the total downtown-to-downtown travel costs are considered.

e. Use special excursion fares that are available from all common carriers of passengers. Discounts range from 30 to 45 percent below normal coach fares but are subject to individual carrier restrictions. While these special fares are designed to promote vacation and personal travel, they may be used for official Government travel. Carriers should be consulted as to the availability of these lower rates.

OMB BULLETIN No. 78-12

Declassified in Part - Sanitized Copy Approved for Release 2013/07/18 : }  
CIA-RDP06M00944R000200130002-0

No action required - please see attached memo.

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17 May 1978

MEMORANDUM FOR THE RECORD

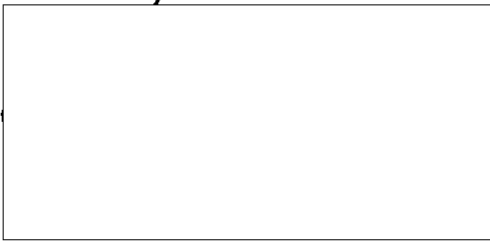
SUBJECT: OMB Bulletin No. 78-12

1.(A/IUO) CIA is exempted from formal submission of the one-time report on Fiscal Year 1978 Resources for Management Analysis and Associated Administrative Management Activities, based on my agreement with Nanette Blandin.

2.(A/IUO) On 25 April 1978, I called Nanette and explained that a CIA report to Bulletin No. 78-12 would be classified and thus not available — for inclusion in any overall reporting of OMB Management Improvement and Evaluation Division. She reviewed the report format and agreed that disclosure of CIA data would violate Section 6 of the CIA Act of 1949. Nanette also agreed that she probably did not need this data for her review, but she might in the future and she wanted to check with [redacted] before she gave me a definite answer. Prior to the 4 May deadline, I confirmed with Nanette that she expected no formal answer from us and she would let me know if she needed similar information for her program and budget review. I agreed we would provide similar data in a simpler format if she needed this in the future. She opined that she did not expect to ask for this, but Bulletin No. 78-12 had never floated to the top of Arnie's in-box. I confirmed that we were submitting no report and would do nothing unless we get a future OMB request for similar data. At this juncture, freedom and justice won a round from bureaucratic paper-shuffling.

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- Orig - Compt. Record Copy
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- 1 - Compt. Reading
- 1 - BMG Chrono

O/Compt./BMG [redacted] 17 May 78 (BMG/B)

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CONFIDENTIAL





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

BULLETIN NO. 78-12

April 17, 1978

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Fiscal Year 1978 Resources for Management Analysis  
and Associated Administrative Management  
Activities

1. Purpose. This Bulletin provides instructions for submitting information on agency resources devoted to management analysis and associated administrative management activities in fiscal year 1978.

2. Background. The Office of Management and Budget needs to collect and analyze information from time to time on the levels of expenditures devoted to various types of management activities within executive departments and agencies. For example, Bulletin No. 77-8 requested such information on program evaluation activities.

3. Coverage. These instructions apply to each executive department and independent agency with full-time permanent employment of 800 or more as of September 30, 1977.

4. Definitions.

a. Management analysis activities include:

- (1) Planning, developing, assessing, and modifying
  - Organizational structures and relationships;
  - Operating procedures;
  - Internal regulations, instructions, and delegations of authority; and

-- Management information and control systems (but not including normal operation and maintenance of such systems).

(2) Conducting or guiding

-- Assessments of operating efficiency or effectiveness; and

-- Analyses of specific administrative needs.

(3) Assessing worker productivity, achievement of performance objectives, and other quantitative measures of operational efficiency and effectiveness.

b. Associated administrative management activities include:

(1) Establishing and maintaining systems for:

-- Controlling agency forms, directives, and records;

-- Providing administrative control and support for advisory and interagency committees; and

-- Controlling management consultant arrangements.

(2) Coordinating Federal Reports Act procedures, items for the Federal Register, and interagency agreements.

(3) Providing technical assistance to other personnel of the agency in developing forms, reports, and records.

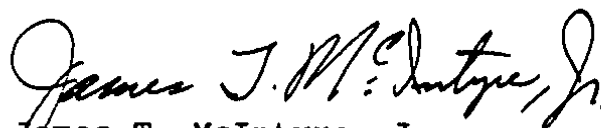
(4) Such other activities as are commonly included in the terms paperwork management, records management, forms management, directives management, and committee management.

c. Management and organization unit. Any unit in a department or agency whose primary responsibility is to carry out management analysis or associated administrative management activities. (The terms management evaluation and management systems are sometimes used in reference to these units.)

5. Reporting Requirements. Departments and agencies shall submit a report in accordance with the attached instructions to OMB, attention: Management Improvement and Evaluation Division by May 4, 1978. This is a one-time report.

6. Rescission. This Bulletin is rescinded following receipt of the May 4, 1978 report.

7. Inquiries. Inquiries and requests for assistance should be addressed to the Management Improvement and Evaluation Division, Office of Management and Budget (395-5193).

  
James T. McIntyre, Jr.  
Director

Attachment

Attachment 1  
Bulletin No. 78-12

### INSTRUCTIONS

An original and one copy of the report on management analysis and associated administrative management resources will be prepared on letter size sheets (8 X 10-1/2) and submitted in the format of the attached exhibit, as prescribed below.

- Date. Enter the date of preparation.
- Contact. Enter the name and telephone number of a person who can answer questions about the information provided.

#### Part I - RESOURCE SCHEDULE.

Department/Agency/Bureau - Enter the reporting department or independent agency. For Cabinet departments only: enter each bureau or comparable organizational unit for which separate management analysis and associated administrative management resources can be identified, a consolidated line entry for any other organizational units (if applicable), and a line entry for the total department. Leave at least one space between each line.

Resources of Management and Organization Units - For each line entry, enter the total resources of management and organization units. If an agency or bureau contains more than one unit meeting the definition, enter the total for all such units.

Staff Years - Enter the estimated staff-years devoted to management analysis or associated administrative management activities, as appropriate, by full-time permanent agency personnel during FY 1978.

Expenses - Enter the total estimated FY 1978 obligations for personnel compensation, personnel benefits, contracts, grants, transportation, rent, communications and utilities, printing and reproducing, other services (such as ADP), supplies and materials, equipment, and any other administrative expenses directly related to the performance, commissioning, or oversight of management analysis and associated administrative management activities. Significant obligations for any expenses other than salaries, personnel benefits, and travel should be

identified briefly in the narrative. Note: All obligations are to be entered in thousands of dollars.

Management Analysis Activities Not Performed by Management and Organization Units - Enter the staff-years devoted to management analysis activities by full-time agency personnel who are not members of management analysis units -- for example, staff assistants to administrative officers in field organizations. Enter the total estimated FY 1978 obligations for management analysis activities conducted by such personnel. Do not include associated administrative management activities in these totals.

Part II - NARRATIVE STATEMENT.

A brief statement should describe in general terms the principal management analysis projects being undertaken in FY 1978. It should highlight any major changes in emphasis or approach that have taken place recently or are planned for the future, including significant increases or decreases in resource levels. In most instances, the narrative for individual bureaus should be restricted to two or three paragraphs, and departmental summaries should not exceed two pages.

The narrative should also answer the following questions:

(1) Are there any activities considered "management analysis" or "administrative management" in the department or agency that are not included in the definitions of this Bulletin? If so, what are they?

(2) Are management analysis and associated administrative management activities the responsibility of the same or of different units? Explain.

(3) What percentage of the resources (staff years and expenses) of management and organization units are devoted to program evaluation, as defined by Bulletin No. 77-8? (Attachment 2 to this Bulletin provides the definition from Bulletin No. 77-8.)

EXHIBIT 1  
Bulletin No.78-12

FY 1978 MANAGEMENT ANALYSIS AND ASSOCIATED ADMINISTRATIVE MANAGEMENT RESOURCES  
(Dollars in Thousands)

Date: \_\_\_\_\_

Contact: \_\_\_\_\_

Part I. RESOURCE SCHEDULE

Department/Agency/ Bureau	<u>RESOURCES OF MANAGEMENT AND ORGANIZATION UNITS</u>				<u>MANAGEMENT ANALYSIS ACTIVITIES NOT PERFORMED BY MANAGEMENT AND ORGANIZATION UNITS</u>	
	<u>Management Analysis</u>		<u>Associated Administrative Management</u>		<u>Staff Years (FTP)</u>	<u>Expenses (\$)</u>
	<u>Staff Years (FTP)</u>	<u>Expenses (\$)</u>	<u>Staff Years (FTP)</u>	<u>Expenses (\$)</u>		

Part II. NARRATIVE STATEMENT

Attachment 2  
Bulletin No. 78-12

### DEFINITION OF PROGRAM EVALUATION

The following definition is repeated from Bulletin No. 77-8.

Program evaluation. The formal assessment, through objective measurements and systematic analyses, of the manner and extent to which Federal programs (or their components) have achieved or are achieving their objectives, or are producing other significant effects of either a desirable or undesirable character, in order to assist future policy and management decisions.

a. The following will be considered as Federal program evaluation activities for the purposes of this Bulletin.

(1) Formal studies, surveys, and data analyses for the purpose of determining the effectiveness, efficiency, or impact of a national or regional program.

(2) Systematic assessment of demonstration programs or projects which are expected to have major implication for programs of national or regional scope; except that evaluation activities which are an intrinsic part of the program operations or management should not be reported.

(3) Formal studies, surveys, and data analyses for the purpose of assessing program management processes, procedures, intervention techniques, workload distribution, or productivity.

(4) Assessment and development of program designs to assure that programs, once operational, can be successfully evaluated.

(5) Design, development, and field testing of new program evaluation methodologies.

(6) Synthesis and further analysis of results obtained by several previous program evaluation efforts.

(7) Collection of initial data to help in evaluation design and provide a baseline for subsequent evaluations.

b. The following will not be considered as program evaluation activities for the purposes of this Bulletin.

(1) Design, development, and operation of general data systems or management information systems.

(2) Continuing collection of routine data and general purpose statistics.

(3) Analysis of existing or proposed policies where no programs yet exist (even though authorized) for purposes of appraising the likely costs and effects of feasible alternatives. Although such analyses are often called "evaluations," they are prospective in character; whereas program evaluation is retrospective, aimed at determining what has actually occurred as the result of past program actions.

(4) Basic research and studies intended to increase or foster general knowledge development, but which are not expected to be used specifically and primarily in policy and management decisions.

(5) Routine, day-to-day monitoring of program operations which is an intrinsic part of program administration.



OMB BULLETIN NO. 78-11

Declassified in Part - Sanitized Copy Approved for Release 2013/07/18 : CIA-RDP06M00944R000200130002-0

Copies sent to DDA, DDO, DDS&T, D/NFAC, and  
OGC

Action assigned to DDA/OP



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

BULLETIN NO. 78-11

May 5, 1978

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Guidelines for the Use of Consulting Services

1. Purpose. The Bulletin establishes policy and guidelines to be followed by executive branch agencies in determining and controlling the appropriate use of consulting services obtained from individuals and organizations.

2. Background. The President, in a memorandum of May 12, 1977 (Attachment A) asked the heads of agencies to review the consulting service arrangements of their organizations to assure that they were both appropriate and necessary. As requested, the agencies reported the results of their review to the Director, Office of Management and Budget (OMB), along with the criteria used in determining when it is appropriate to use consulting services. While many agencies have excellent management controls to assure that abuses do not occur, there was a lack of uniformity of definition, criteria, and management controls among the agencies.

Based largely upon the data received from the agencies, this Bulletin establishes a standard definition, uniform criteria for determining the appropriate use of consulting services, and outlines management controls required of the agencies.

3. Coverage. The provisions of this Bulletin apply to consulting services obtained by the following arrangements:

- (a) Personnel appointment;
- (b) Procurement contract; and
- (c) Advisory committee membership (not otherwise covered).

When one of the above arrangements for consulting services is entered into, any applicable statutory requirements, such as those in 5 U.S.C. 3109 for personnel appointments will govern.

4. Definition. As used for administrative direction in this Bulletin, Consulting Services means those services of a purely advisory nature relating to the governmental functions of agency administration and management and agency program management. (See Attachment B for examples of the type of services to which this Bulletin does and does not apply.)

These services are normally provided by persons and/or organizations who are generally considered to have knowledge and special abilities that are not generally available within the agency. The form of compensation is irrelevant to the definition.

5. Basic Policy

a. Consulting services will not be used in performing work of a policy/decisionmaking or managerial nature which is the direct responsibility of agency officials.

b. Consulting services will normally be obtained only on an intermittent or temporary basis; repeated or extended arrangements are not to be entered into except under extraordinary circumstances.

c. Consulting services will not be used to bypass or undermine personnel ceilings, pay limitations, or competitive employment procedures.

d. Former Government employees per se will not be given preference in consulting service arrangements.

e. Consulting services will not be used under any circumstances to specifically aid in influencing or enacting legislation.

f. Grants and cooperative agreements will not be used as legal instruments for consulting service arrangements.

6. Guidelines for use of Consulting Services. Consulting service arrangements may be used, when essential to the mission of the agency, to:

a. Obtain specialized opinions or professional or technical advice which does not exist or is not available within the agency or another agency.

b. Obtain outside points of view to avoid too limited judgment on critical issues.

c. Obtain advice regarding developments in industry, university, or foundation research.

d. Obtain the opinion of noted experts whose national or international prestige can contribute to the success of important projects.

e. Secure citizen advisory participation in developing or implementing Government programs that by their nature or by statutory provision call for such participation.

7. Management Controls

a. Each agency will assure that for all consulting service arrangements:

(1) Every requirement is appropriate and fully justified in writing. Such justification will provide a statement of need and will certify that such services do not unnecessarily duplicate any previously performed work or services;

(2) Work statements are specific, complete and specify a fixed period of performance for the service to be provided;

(3) Contracts for consulting services are competitively awarded to the maximum extent practicable to ensure that costs are reasonable;

(4) Appropriate disclosure is required of, and warning provisions are given to, the performer(s) to avoid conflict of interest; and

(5) Consulting service arrangements are properly administered and monitored to ensure that performance is satisfactory.

b. Each agency will establish specific levels of delegation of authority to approve the need for the use of consulting services, based on the policy and guidelines contained in this Bulletin. Approval of all consulting service arrangements should be required at a level above the organization sponsoring the activity.

c. OMB Circular No. A-63, Advisory Committee Management, governs policy and procedures regarding advisory committees and their membership.

d. The Federal Personnel Manual (FPM), Chapter 304, governs policy and procedures regarding personnel appointments.

e. Until the Federal Acquisition Regulation is published, the Federal Procurement Regulation and the Armed Services Procurement Regulations govern policy and procedures regarding contracts.

8. Data Requirements. By October 1, 1978, the following data systems will have the capability to provide information on consulting service arrangements within the executive branch:

a. Central Personnel Data File (CPDF), operated by the Civil Service Commission, will have data on personnel appointments, segregating consultants, experts, and advisory committee members (as defined in OMB Circular No. 63).

b. Federal Procurement Data System (FPDS) will have data on contract arrangements.

c. Advisory committee data will continue to be maintained in accordance with OMB Circular No. A-63.

9. Reporting Requirements. Agencies will submit a report to the Office of Federal Procurement Policy, OMB, on June 30, 1978. The report will be submitted in the format of the Exhibit as follows. For each type of consulting service arrangement in effect as of June 1, 1978, specify:

a. The number of such arrangements; and

b. The total dollars (in thousands) in terms of outlays.

This is a one-time report

10. Effective date. This bulletin is effective immediately.

11. Rescission. This Bulletin is rescinded following incorporation of basic policy, guidelines, and management controls into agencies' policies and procedures, the submission of the required data due on June 30, 1978, and implementation of the data system requirements due October 1, 1978.

12. Inquiries. All questions or inquiries should be submitted to the Office of Management and Budget, Administrator for Federal Procurement Policy. Telephone Number (202) 395-3340.

  
James T. McIntyre, Jr.  
Director

Attachments

THE WHITE HOUSE

WASHINGTON

May 12, 1977

MEMORANDUM FOR THE HEADS OF

EXECUTIVE DEPARTMENTS AND AGENCIES

In a continuing search for ways to improve the efficiency and effectiveness of the executive branch, I have become aware of a need for improved management of the excessively large volume of consulting and expert services used by the Federal Government. A recent survey by a Senate subcommittee of the use of personal and non-personal consultant and expert services identified more than 30,000 contract arrangements and 10,777 individual appointments. Additionally, there are such services provided by grant arrangements and through advisory committee memberships.

There has been, and continues to be, evidence that some consulting services, including experts and advisors, are being used excessively, unnecessarily, and improperly.

This must be corrected without delay.

Some areas of concern include:

-- Use of consultants to perform work of a policymaking or managerial nature which should be retained directly by agency officials.

-- Repeated appointments or contract extensions which raise questions whether the work is better suited to other more appropriate arrangements.

-- Use of consultants to provide studies and analyses which have no useful impact on agency operations, either because the subject itself is non-essential or because there are no disciplined agency procedures to (a) check priorities and (b) insure follow-up on the results.

-- Use of consultant arrangements as a device to bypass or undermine personnel ceilings, pay limitations, or competitive employment procedures.

-- "Revolving door" abuses whereby former Government employees may be improperly favored for individual or contracted consulting arrangements.

-- Intra-agency duplication of consultant efforts, especially in large, multi-agency departments such as Defense and Health, Education and Welfare, because there is no central coordination of consulting efforts or dissemination of results.

-- Conflicts of interest between consultants' advice and their other outside financial interests and affiliations.

In order to improve the use of consultants, I want you to:

1. Review all data that is available or can be readily assembled to describe:

-- The principal purposes for which consulting services are being used;

-- The types of consulting arrangements being used (Civil Service Commission appointment, contract, grant, advisory committee membership, other); and

-- The number of such arrangements in effect and the total dollars involved.

2. Review and revise the management controls and decision criteria used for consultants which will effectively prevent abuses.

3. Eliminate those consultant arrangements found to be neither appropriate nor necessary.

4. Report the results of the above items to the Director of the Office of Management and Budget by June 30, 1977.

I am asking the Director of the Office of Management and Budget to review your reports and, where appropriate, to suggest additional measures that you might apply to strengthen your management control of the purposes and arrangements for consulting and expert services.

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink on a white background.

This attachment contains some, but not all, examples of the type of services to which this Bulletin does and does not apply.

Services Included

- Advice on discriminatory practices in labor;
- Advice on organizational structure and management methods;
- Advice on artistic and cultural matters;
- Advice on and analysis of electric power projects;
- Evaluation of the effectiveness of agency publications;
- Advice on mail handling procedures;
- Advice on plans for conducting census enumerations;
- Analysis of the impact of a program;
- Advice on maritime labor policy and maritime market development;
- Advice on legal and technological problems in patent and trademark examinations;
- Policy and program analysis evaluation and advice;
- Services of grant peer review panelists;

Services Excluded

- Commercial and industrial products and services (see OMB Circular No. A-76);
- Conduct of research (see OMB Circular No. A-11)
- Performance of operating functions and supervision of those functions;
- Automatic data processing/keypunching services;
- Information system development;
- Audits made by Certified Public Accountants;
- Architect and engineering services and other associated services directly related to a particular structure;



- Purchase of real or personal property;
- Stenographic services;
- Direct operation and management of Government-owned facilities;
- Installation or testing of equipment;
- Services performed by technicians or non-professional persons to meet unusual or peak work demands;
- Consultant-type services provided by one Federal entity for another Federal entity under a Memorandum of Understanding or similar arrangement;
- Physicians, dentists, nurses, and other health care professionals providing medical services;
- Employee training and executive development;
- Legal research services that do not include advice or recommendations;
- Editing and proofreading services;
- Educational-vocational guidance counseling for veterans;
- Court reporting;
- Translation services;
- Advisory services provided directly to the public or foreign governments as part of an agency's programs of assistance.
- Geological, archeological, and cadastral surveys.

Exhibit

CONSULTING SERVICE ARRANGEMENTS  
(NAME OF DEPARTMENT OR AGENCY)

Types of Consultant Arrangements:	<u>No.</u>	<u>(\$ in thousands)</u>
1. Personnel Appointments .....		
2. Procurement Contracts .....		
3. Advisory Committee Memberships .....	<u>                    </u>	<u>                    </u>
Total .....		



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

March 23, 1978

BULLETIN NO. 78-10

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Federal Software Exchange Program

1. Purpose. This Bulletin is issued to emphasize the importance of agency cooperation in the Federal Software Exchange Program.

2. Background. In February 1976 GSA established the Federal Software Exchange Program. Under this program, any Federal agency which develops a computer program having utility in other Federal agencies is required to provide descriptive information and a copy of the program to the centrally operated exchange. The descriptions provided by the agencies are periodically published as a catalog and this compilation is available to prospective "customer" agencies which might have a need for similar computer programs.

On January 13, 1978, the General Accounting Office issued Report Number FGMSD 78-11 entitled "The Federal Software Exchange Program--A Small Step in Improving Computer Program Sharing." Agency staff members who have primary responsibilities for automatic data processing activities should review this report.

3. Policy. The Office of Management and Budget fully supports this program and urges agency heads to assure that agency staff cooperate with the General Services Administration to increase software sharing, avoid unnecessary duplication and expense through the exchange, and utilize other mechanisms which have been established by GSA for these purposes.

4. Inquiries. Inquiries about this Bulletin should be addressed to the Office of Management and Budget, Information Systems Policy Division, telephone 395-3785. Inquiries regarding the Federal Software Exchange should be addressed to the manager, 703-557-4655 or 8-577-4655. For further information on the exchange, consult Federal Property Management Regulation 101.32.16, issued by GSA.

*James T. McIntyre, Jr.*  
James T. McIntyre, Jr.  
Acting Director

OMB BULLETIN No. 78-10

Declassified in Part - Sanitized Copy Approved for Release 2013/07/18 : CIA-RDP06M00944R000200130002-0  
25 March 1978

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

March 23, 1978

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1. Purpose. This Bulletin is issued to emphasize the importance of agency cooperation in the Federal Software Exchange Program.

2. Background. In February 1976 GSA established the Federal Software Exchange Program. Under this program, any Federal agency which develops a computer program having utility in other Federal agencies is required to provide descriptive information and a copy of the program to the centrally operated exchange. The descriptions provided by the agencies are periodically published as a catalog and this compilation is available to prospective "customer" agencies which might have a need for similar computer programs.

On January 13, 1978, the General Accounting Office issued Report Number FGMSD 78-11 entitled "The Federal Software Exchange Program--A Small Step in Improving Computer Program Sharing." Agency staff members who have primary responsibilities for automatic data processing activities should review this report.

3. Policy. The Office of Management and Budget fully supports this program and urges agency heads to assure that agency staff cooperate with the General Services Administration to increase software sharing, avoid unnecessary duplication and expense through the exchange, and utilize other mechanisms which have been established by GSA for these purposes.

4. Inquiries. Inquiries about this Bulletin should be addressed to the Office of Management and Budget, Information Systems Policy Division, telephone 395-3785. Inquiries regarding the Federal Software Exchange should be addressed to the manager, 703-557-4655 or 8-577-4655. For further information on the exchange, consult Federal Property Management Regulation 101.32.16, issued by GSA.

*James T. McIntyre, Jr.*  
James T. McIntyre, Jr.  
Acting Director

OMB DISSEMINATION NO. 78-0

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

BULLETIN NO. 78-9

February 24, 1978

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Revision of long-range estimates and the multi-year budget planning base

1. Purpose and background. This Bulletin provides instructions on the preparation and submission of revised long-range estimates of budget authority and outlays, which will be used in updating the multi-year budget planning base.

General policies and guidance on the transition to a multi-year budget planning system are contained in OMB Bulletin No. 78-7. The planning targets for the three years beyond the budget year (1980-1982) provided to agencies in the 1979 allowance letters are the January planning base. This planning base will be revised to reflect changes attributable to completed Congressional action, reestimates (including revised economic assumptions), and announced Presidential initiatives. The 1980 Spring Planning Review will focus on a three-year planning period using the revised planning base as a starting point.

OMB will be holding discussions with agency officials concerning a limited number of major program and budget issues that might result in later Presidential initiatives. While these initiatives would, when approved, change the planning base further, the revised planning base estimates submitted in response to this Bulletin should not include the effects of such potential changes. These will be considered and, where appropriate, included during the course of the Spring Planning Review. Agencies will be sent revised planning ceilings for 1980, 1981, and 1982 following the Spring Planning Review decision process.

2. Basis for revised estimates. The long-range estimates and January planning base will be revised to reflect changes due to reestimates, publicly announced Administration proposals, and completed Congressional action in accordance with the following guidelines:

- Reestimates. Agencies should review the estimates of outlays and indefinite budget authority and make necessary adjustments, particularly where significant changes are occurring in current spending trends. Reestimates should also reflect revisions to the economic, demographic, or other assumptions used in the January budget. Revised economic assumptions will be provided, where necessary, by OMB.
- Presidential initiatives. Estimates should be revised to reflect changes in publicly announced budget plans or requests due to:
- ° 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);
  - ° deferral or rescission proposals transmitted; and
  - ° legislative proposals transmitted, approved, or publicly supported by the President.

Agency proposals that have not been approved by the President should not be included in the revised estimates.

- Congressional action. Include the effect of mandatory changes due to: (1) enacted substantive legislation (entitlement and other legislation that has a direct impact upon the planning base), (2) completed appropriation action, (3) the effects from delays in acting on Administration sponsored legislation assumed in the planning base (if applicable), and (4) final action or inaction on rescissions and deferrals. Only those changes that follow directly from Congressional action or inaction should be included. (Enactment of discretionary authorizations that the agency believes may result in later appropriations above the current Administration request or out-year level should not change the long-range estimates or planning base.)

In preparing revised estimates for legislative proposals not yet enacted by the Congress, agencies should assume an effective date of July 1, 1978, where an earlier date had been assumed previously.

Increases or decreases to 1978 or 1979 program levels due to Congressional action or inaction should be reflected in all the years covered if the action taken by the Congress implies continuation of that program level in later years.

3. Materials required.

a. Revised long-range estimates. OMB will provide agencies with three copies of the Long-Range Data and Update Form (Exhibit 1) containing budget data for 1977-1982 that is generally consistent with the long-range estimates in the 1979 Budget. In some cases, however, the data for 1978 and 1979 will have been adjusted in connection with the spring budget update provided to Congress to reflect major changes (reestimates, Congressional action, Presidential initiatives) made subsequent to the January budget. The Long-Range Data and Update Form displays agency, bureau, and account titles, with line numbers identifying each account. The line entries present budget authority and outlays at the account level. The estimates should indicate the degree to which the budget plans for the agency that have been approved by the President commit financial resources. Revisions of these data will be prepared in accordance with the instructions contained in Attachment A and the guidelines provided in section 2 of this Bulletin.

b. Agency Planning Summary. A report in the format Exhibit 2 will summarize revisions to the long-range estimates contained in the 1979 Budget by grouping them into three categories:

- Presidential decisions;
- Congressional action; and
- Reestimates.

The initial entry in Exhibit 2 will reflect the amounts shown in the letter sent to each agency containing the 1979 budget allowance and multi-year planning targets.

Care should be taken to assure that the changes included on the Agency Planning Summary are consistent with the revisions made to the Long-Range Data and Update Form (Exhibit 1).

c. Planning Base Changes. Separate reports will be prepared in the format of Exhibit 3 to explain specific items that have affected the long-range estimates, i.e., the agency's planning base, by at least \$100 million in any one year. The report will show data for the budget year (1979) and the three succeeding years (1980-82). Information on 1978 amounts should also be presented when these amounts are materially affected.

Planning Base Change reports will identify separately changes resulting from publicly announced Presidential initiatives and decisions; completed Congressional action; and reestimates (including the effect of changes in economic assumptions).

Reported changes to the planning base will always include information on budget authority and outlays. Receipts information will be included, where appropriate. Data will be presented by budget account with a separate entry for each major budget function affected. The stub entry should identify whether the change is the result of Presidential decisions, Congressional action, or reestimates. A brief explanation of the reasons for the change will also be provided.

4. Timing. Agencies will submit the required information to OMB no later than March 20.

6. Inquiries. Inquiries and requests for assistance should be directed to the OMB program division responsible for reviewing the agency's budget estimates.

  
James T. McIntyre  
Acting Director

Attachments

## INSTRUCTIONS FOR THE PREPARATION OF LONG-RANGE ESTIMATES

General Instructions.

1. Estimates will reflect the future budget authority, outlay, and offsetting receipt amounts implicit in the program levels, initiatives, and economy measures approved by the President. No discretionary changes are to be assumed in programs unless they are the result of specific Presidential commitments. The projections should not anticipate future policy decisions. However, they should reflect any specific Presidential decisions and legislative initiatives that affect later years even if they do not affect the budget year.

2. In general, amounts will not be included for anticipated price increases or future Federal pay raises. These amounts will be determined by OMB and included in an aggregate allowance. The exceptions to this general rule are:

a. Beneficiary programs will reflect legislated inflation adjustments.

b. Where approval has been given by OMB for anticipated future price increases to be included for certain multi-year, fully funded major procurement or construction programs (e.g., the space shuttle, nuclear reactors, major defense systems, and costs of strategic petroleum reserves), anticipated increases will be reflected in projections of budget authority and outlays in accordance with the economic assumptions supplied by OMB.

3. In general, growth in agency workload will be assumed to be offset by productivity increases so that related employment will not increase.

4. Ongoing programs whose authority expires during the forecast period will be projected at the level of the program in the year preceding expiration of the authorization, unless there are specific policy determinations to the contrary. Programs that are clearly one-time or temporary, such as temporary study commissions, should be allowed to expire.

5. Projections for Benefit Payments.

a. Unemployment insurance benefits. Estimates for these benefits should be consistent with the aggregate unemployment rate assumptions supplied by OMB.

b. Medicare and Medicaid. Projections for these programs should be based on HEW forecasts of utilization rates, number of beneficiaries, etc. HEW projections of medical care prices should be consistent with the overall economic assumptions provided by OMB.

c. Other benefit payments. (Including: OASDI; railroad retirement; civil and uniformed services retirement; supplemental security income; and veterans compensation, pensions, and readjustment benefits) Benefit payments per beneficiary should be increased to take into account increases in the earnings base (where applicable) on which the benefit is computed, unless existing law provides otherwise. The projections should be calculated by multiplying the expected number of beneficiaries in each future year by average benefit payments per beneficiary. When existing or proposed legislation provides for automatic cost-of-living adjustments, the projections should be further multiplied by a consumer price index or other adjustment factor to be supplied by OMB. Administration proposals to increase or decrease such benefits should be shown separately.

#### Specific Instructions for Updating Computer Forms.

1. All corrections to the form will be entered in red.
2. Lines should not be added to or deleted from the computer listing. In cases where accounts must be added or deleted to make the long-range computer data file consistent with the current master account title file and out-year initiatives, or where the computer listing does not correctly reflect proposed legislative items, the agencies will provide a paper to the OMB program division responsible for reviewing their programs. This paper should indicate the account title, 11-digit identification code, and budget authority and outlays for 1978 to 1982.
3. When entering amounts on the Long-Range Data and Update Form:
  - a. If the dollar amount for any year is to be changed, enter the correct amount in the space immediately below that number on the line marked "CORRECTIONS." If no change is needed, leave the space blank on the line below the number.
  - b. Show the amounts in thousands of dollars.
  - c. Specify the number of entries made on each line in the column entitled "NUMBER OF CHANGES." (Enter a zero if no changes are made to a line.)

4. The following abbreviations are used on the form:

- a. BA -- Budget Authority.
- b. OUTLAYS -- Outlays.
- c. OFF REC -- Offsetting receipts, either from intra-governmental transactions or proprietary receipts.
- d. PROP LEG BA -- Budget authority from proposed legislation.
- e. PROP LEG O -- Outlays from proposed legislation.
- f. PROP LEG OR -- Offsetting receipts from proposed legislation.

5. Proposed legislation, as used here, means "proposed for later transmittal under proposed legislation." The 11-digit identification code should contain a transmittal code "2." Proposed legislation in the outyears should be treated in the same manner as in the budget year, i.e., the changes in budget authority and outlays attributable to proposed legislation should not reflect the base estimate but should be identified separately in the line(s) for proposed legislation in all of the years affected. For example, in Exhibit 1 the base program is shown in lines 92900 and 93100 excluding the effects of proposed legislation. The effects of the proposed legislation are shown separately in lines 93000 and 93200.

6. It should be noted that the offsetting receipts lines are not necessarily shown at the receipt account level. In most cases they have been aggregated to the agency level and split by subfunction and controllability code. These parenthesized codes appear directly to the right of the resources measures (BA, outlays, etc.) on the listing.

PAGE 33 LONG RANGE DATA AND UPDATE FORM--SPRING AS OF

PREPARED BY: JOHN R. STAMINEE	SUB. COM. OF	1977	1978	1979	1980	1981	1982
TELEPHONE: 4520	FCN TRL CHANGES	ACTUAL	CURRENT ESTIMATE	CURRENT ESTIMATE	CURRENT ESTIMATE	CURRENT ESTIMATE	CURRENT ESTIMATE

NOTE: IF ANY AMOUNT FIELD ON THIS PRINTOUT IS CORRECT AS SHOWN, THEN LEAVE BLANK THE CORRESPONDING AMOUNT POSITION ON THE FOLLOWING DUPLICATE LINE LABELLED "CORRECTIONS". IF ANY AMOUNT IS INCORRECT AS SHOWN, THEN ENTER THE CORRECT AMOUNT IN THE CORRESPONDING POSITION ON THE FOLLOWING DUPLICATE LINE LABELLED "CORRECTIONS". IGNORE THE PARENTHESES FIELD CODES PRECEDING EACH AMOUNT FIELD, THEY ARE USED FOR KEYPUNCHING. (THEY DO NOT REPRESENT BUDGET DATA). THE SUBFUNCTION AND CONTROLLABILITY CODES ARE SHOWN FOR EACH LINE ITEM IN COLUMNS 3 AND 4. BE SURE TO INSERT AMOUNTS IN 1000S AND FILL IN YOUR NAME AND PHONE NUMBER IN THE SPACE PROVIDED ABOVE. INSTRUCTIONS ARE PROVIDED IN OMD BULLETIN NUMBER AND OPH. OMD FOR QUESTIONS NOT COVERED BY THESE INSTRUCTIONS. AGENCIES...CONTACT YOUR OMD EXAMINERS. OMD EXAMINERS...CALL INGHIL CONNELLY AT EXTENSION 4520. THANK YOU.

OFFICE OF EDUCATION							
ELEMENTARY AND SECONDARY EDUCATION							
LATEST ESTIMATES							
092900 BA	(501)(1265)	2722072 (26)	3190528 (20)	3394720 (30)	3394720 (32)	3394720 (34)	3394720
CORRECTIONS							
092900 BA	(501)(1265)	0 (26)	(20)	(30)	(32)	(34)	
LATEST ESTIMATES							
093000 PROP. LFG. BA	(501)(1265)	(26)	(20)	400000 (30)	400000 (32)	400000 (34)	400000
CORRECTIONS							
093000 PROP. LFG. BA	(501)(1265)	2 (26)	(20)	350000 (30)	450000 (32)	(34)	
LATEST ESTIMATES							
093100 OUTLAYS	(501)(1265)	2352472 (26)	2573600 (20)	3003492 (30)	3265300 (32)	3354600 (34)	3382300
CORRECTIONS							
093100 OUTLAYS	(501)(1265)	1 (26)	2570000 (20)	(30)	(32)	(34)	
LATEST ESTIMATES							
093200 PROP. LFG. O	(501)(1265)	(26)	(20)	24000 (30)	284700 (32)	364200 (34)	389000
CORRECTIONS							
093200 PROP. LFG. O	(501)(1265)	2 (26)	(20)	10000 (30)	302700 (32)	(34)	
TOTAL BA							
		2722072	3190528	3394720	3394720	3394720	3394720
TOTAL PROP. LFG. BA							
				500000	500000	500000	500000
TOTAL OUTLAYS							
		2352472	2573600	3003492	3265300	3354600	3382300
TOTAL PROP. LFG. O							
				20000	284700	364200	389000
TOTAL BALNET							
		2722072	3190528	3794720	3794720	3794720	3794720
TOTAL QINETS							
		2352472	2573600	3023492	3259000	3710800	3721300



PAGE 34 LONG RANGE DATA AND UPDATE FORM--SPRING AS OF

PREPARED BY: John G. Grammer NUMBER \_\_\_\_\_

TELEPHONE: Ext. 4520 SUD. COM. OF 1977 1978 1979 1980 1981 1982  
FCM TRL CHANGES ACTUAL CURRENT ESTIMATE CURRENT ESTIMATE CURRENT ESTIMATE CURRENT ESTIMATE CURRENT ESTIMATE

NOTE: IF ANY AMOUNT FIELD ON THIS PRINTOUT IS CORRECT AS SHOWN, THEN LEAVE BLANK THE CORRESPONDING AMOUNT POSITION ON THE FOLLOWING DUPLICATE LINE LABELLED "CORRECTIONS". IF ANY AMOUNT IS INCORRECT AS SHOWN, THEN ENTER THE CORRECT AMOUNT IN THE CORRESPONDING POSITION ON THE FOLLOWING DUPLICATE LINE LABELLED "CORRECTIONS". IGNORE THE PARENTHEZIZED FIELD CODES PRECEDING EACH AMOUNT FIELD, THEY ARE USED FOR KEYPUNCHING. (THEY DO NOT REPRESENT BUDGET DATA). THE SUBFUNCTION AND CONTROLLABILITY CODES ARE SHOWN FOR EACH LINE ITEM IN COLUMNS 3 AND 4. BE SURE TO INSERT AMOUNTS IN \$1000S AND FILL IN YOUR NAME AND PHONE NUMBER IN THE SPACE PROVIDED ABOVE. INSTRUCTIONS ARE PROVIDED IN OMD BULLETIN NUMBER \_\_\_\_\_ AND OOH \_\_\_\_\_ NO. \_\_\_\_\_ FOR QUESTIONS NOT COVERED BY THESE INSTRUCTIONS! AGENCIES...CONTACT YOUR OMD EXAMINERS. OMD EXAMINERS...CALL INGH CONNELLY AT EXTENSION 4520. THANK YOU.

OFFICE OF EDUCATION

ELEMENTARY AND SECONDARY EDUCATION

LINE	DESCRIPTION	1977 ACTUAL	1978 CURRENT ESTIMATE	1979 CURRENT ESTIMATE	1980 CURRENT ESTIMATE	1981 CURRENT ESTIMATE	1982 CURRENT ESTIMATE
042900	BA (501)(1265)	2722072	3190528	3394720	3394720	3394720	3394720
042900	CORRECTIONS	0					
093000	PROP. LFG. BA (501)(1265)			400000	400000	400000	400000
093000	CORRECTIONS	2		350000	450000		
093100	OUTLAYS (501)(1265)	2352472	2573600	3003492	3265300	3354600	3382300
093100	CORRECTIONS	1	2570000				
093200	PROP. LFG. O (501)(1265)			28000	284700	364200	389000
093200	CORRECTIONS	2		10000	302700		
TOTAL BA		2722072	3190528	3394720	3394720	3394720	3394720
TOTAL PROP. LFG. BA				400000	400000	400000	400000
TOTAL OUTLAYS		2352472	2573600	3003492	3265300	3354600	3382300
TOTAL PROP. LFG. O				20000	284700	364200	389000
TOTAL OAHNET		2722072	3190528	3794720	3794720	3794720	3794720
TOTAL OINETS		2352472	2573600	3031592	3590000	3718900	3771300

AGENCY PLANNING SUMMARY  
DEPARTMENT OF GOVERNMENT  
(in millions of dollars)

Budget Year (1979)	Planning Period							
	BY+1 (1980)		BY+2 (1981)		BY+3 (1982)			
<u>BA</u>	<u>OUTLAYS</u>	<u>BA</u>	<u>OUTLAYS</u>	<u>BA</u>	<u>OUTLAYS</u>	<u>BA</u>	<u>OUTLAYS</u>	

1979 BUDGET ALLOWANCE AND  
MULTI-YEAR PLANNING TARGETS ...

Changes resulting from:

- Presidential decisions.....
- Congressional action.....
- Reestimates.....

REVISED PLANNING BASE .....

Date: \_\_\_\_\_

PLANNING BASE CHANGE  
DEPARTMENT OF GOVERNMENT  
(in millions of dollars)

Account title and identification no. \_\_\_\_\_

Budget Year (1979)		Planning Period							
		BY+1 (1980)		BY+2 (1981)		BY+3 (1982)			
BA	OUTLAYS	BA	OUTLAYS	BA	OUTLAYS	BA	OUTLAYS		

January planning base 1/

Change to planning base 2/

- [Presidential decision]
- [Congressional action]
- [Reestimate]

Total .....

Explanation of change:

[Briefly describe the nature of the change.]

1/ Show the amount included in the base for the item as derived from the January planning base amounts.

2/ Show separately Presidentially approved changes, Congressional action, and reestimates. If the change involves more than one function, a separate line should be provided for each major function.

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

BULLETIN NO. 78-8

January 31, 1978

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Agency advertising outlays

1. Purpose. This Bulletin provides instructions for reporting data on agency advertising activities performed under contract with the private sector. The information is being obtained at the request of the Chairman of the House Appropriations Committee.

2. Background. In response to a House Appropriations Committee request, the Office of Management and Budget issued Bulletin No. 75-14 (dated May 13, 1975), which instructed agencies to submit outlay data on their FY 1975 advertising activities. The Appropriations Committee found that information to be helpful and has asked for an update on outlays for advertising that is contracted out, including the names of advertising firms with principal contracts. This Bulletin is designed to fulfill the Committee's current request.

3. Definitions. For the purposes of this Bulletin, the following definitions will be used.

a. "Advertising" means (1) the action of bringing information to the attention of the public, especially by an oral or written announcement, for the purpose of inducing a desired reaction (e.g., enlisting in the Army), advising potential beneficiaries of rights to which they may be eligible (e.g., social security, veterans pensions), or promoting major Federal objectives (e.g., pollution abatement, sale of savings bonds) and (2) the business of preparing advertisements for publication or broadcasting (including all types of media dissemination).

b. "Minority business enterprise" means a business enterprise that is owned or controlled by one or more socially or economically disadvantaged persons. Such disadvantage may arise from cultural, racial, chronic

economic circumstances or background or other similar cause. Such persons include, but are not limited to, Negroes, Puerto Ricans, Spanish-speaking Americans, American Indians, Eskimos, and Aleuts.

c. "Small business enterprise" means a small business as defined in 13 CFR, section 121.3-8(e).

4. Coverage. The provisions of this Bulletin apply to all Executive Branch departments and agencies, including the Postal Service, with full-time permanent employment of 100 or more in either FY 1977 or FY 1978.

5. Material required. Two types of reports will be required from each agency covered by this Bulletin:

-- Separate reports on advertising outlays for FY 1977 and for FY 1978 on total agency advertising outlays, advertising outlays paid to minority business enterprises, and advertising outlays paid to all small business enterprises.

-- A report listing the names of firms or individuals to whom the agency has awarded principal advertising contracts that were in force during FY 1977 or FY 1978 to date.

a. Advertising outlay reports. These reports will be prepared in accordance with instructions in section 1 of the Attachment and will cover all contractual advertising activities defined in section 2 of this Bulletin. This will include those activities that provide information to the public on:

-- recruitment by Federal agencies of civilian and military personnel;

-- public service activities intended to advise those that are eligible for Federal assistance (e.g., food stamps and social security benefits); and

-- promotion of Government objectives (e.g., pollution control; forest fire prevention; mailing early; and sale of U.S. savings bonds, U.S. securities, and debentures of Government enterprises).

The outlays reported for the above purposes will be limited to those for advertising that is contracted out. Include outlays to radio, TV, and the printed media for

announcements, as well as payments to commercial firms or individuals for advertising purposes.

Exclude in-house advertising outlays from the reports required under this Bulletin. Also exclude the cost of advertising that is associated with publication of proposed rules and requirements in the Federal Register, whether contracted out or performed in-house.

Where detailed supporting documentation is not available to justify estimates for FY 1978, statistical estimates and approximations may be used. The reports for 1977 and 1978 should each be accompanied by a brief explanatory statement on the method applied in determining the outlays shown.

b. Principal advertising contractors report. This report will be prepared in accordance with instructions in section 2 of the Attachment and will cover all commercial firms, individuals, and media with a Government advertising contract in excess of \$50,000. The report will identify the names of all such contractors, whether any are minority business enterprises, and the period of time for which the contracts run.


A negative report will be prepared, if an agency subject to this reporting requirement has not had in force any contracts in excess of \$50,000 during either FY 1977 or FY 1978 to date.

6. Copies and timing. Three (3) copies of the following reports will be submitted to the Office of Management and Budget no later than Friday, February 24, 1978:

- FY 1977 and FY 1978 reports on total agency advertising outlays; and
- report on principal advertising contractors.

Three (3) copies of the reports on advertising outlays paid to minority and small business enterprises will be submitted no later than Friday, March 24, 1978.

7. Inquiries. Questions concerning the instructions in this Bulletin should be addressed to the OMB representatives in charge of the agency's budget request.

  
James T. McIntyre, Jr.  
Acting Director

Attachments



Attachment  
Bulletin No. 78-8

### REPORTING INSTRUCTIONS

Three (3) copies of the reports required under section 5 of the Bulletin will be prepared by each Executive Branch department or agency (including the Postal Service) with FY 1977 actual or FY 1978 estimated full-time permanent employment of 100 or more. The reports will be typed on 8" x 10-1/2" paper in the format of Exhibits 1 and 2, and will be submitted to the Office of Management and Budget in accordance with the following schedule:

- By Friday, February 24, 1978: FY 1977 and FY 1978 reports on total agency advertising outlays and the report on principal advertising contractors.
- By Friday, March 24, 1978: FY 1977 and FY 1978 reports on advertising outlays paid to minority and small business enterprises.

Detailed instructions on the preparation of the reports follow:

1. Advertising outlays. Separate reports for FY 1977 and FY 1978 will be prepared, in the format of Exhibit 1, for the following categories of agency advertising outlays:

- Total advertising outlays,
- Advertising outlays paid to minority business enterprises, and
- Advertising outlays paid to small business enterprises.

Outlays in each report will be shown in thousands of dollars and will be based on actual agency outlays for 1977 and estimated outlays for 1978.

In the case of reports on total agency advertising outlays, separate reports will be prepared for bureaus or other principal organizational units when these units have sizeable advertising programs. In such cases, the name of the organizational unit will be presented in the heading under the name of the department.

Following are instructions for the specific entries in the reports:

- a. Column 1. Description. Show line entries for the different types of "contracted-out" activities for advertising as follows:

Line 1 - Media. Enter the outlays paid directly to radio and television stations, newspapers, magazines, journals, and other media for advertising purposes.

Line 2 - Advertising agencies. Enter the outlays paid to advertising agencies and others in the private sector to produce the desired advertising. Include contractual services for signs, posters, brochures, and other material prepared commercially for advertising purposes.

Line 3 - Total. Enter the total outlays (sum of lines 1 and 2) for contracting out for advertising.

(NOTE: For the minority and small business reports, entries on lines 1, 2, and 3 will include only outlays paid to minority or small business enterprises, as defined in section 3 of the Bulletin.)

- b. Other columns. On the appropriate line under columns 2, 3, 4, and 5, report advertising outlays paid to the media (e.g., radio, TV, and the press), to advertising agencies, and to a total thereof. Specific instructions for each column follow:

Column 2 - Agency recruiting. Enter in this column, on the appropriate line, advertising outlays for the recruitment of civilian or military personnel.

Column 3 - Public service. Enter in this column, on the appropriate line, advertising outlays to advise those who are eligible for Federal assistance. This includes advice to individuals on programs, such as food stamps, social security benefits, and employment services; as well as information to States, localities, and non-profit institutions.

Column 4 - Program promotion. Enter in this column, on the appropriate line, advertising outlays to promote major Federal objectives,

such as pollution control; forest fire prevention; mailing early; sale of U.S. savings bonds, U.S. securities, and debentures of Government enterprises; and observance of Federal holidays and special events.

Column 5 - Total. For each line, enter the sum of columns 2, 3, and 4 to show the total outlays for advertising.

- c. Explanation. Include a brief explanatory statement on the method used to determine the outlays reported for advertising purposes. If reports are submitted for several organizational units of a department, present a brief explanation of the primary purpose of advertising for each unit. (Reports are not required by program.)

2. Principal advertising contractors. A report, in the format of Exhibit 2, will be prepared for each department or agency that has an advertising contract in force of \$50,000 or more during FY 1977 or FY 1978. A negative report will be submitted if no such contracts were in force.

The names of the principal contractors will be listed in order of magnitude, with the largest contractors listed first. An asterisk will be used to denote any minority business enterprises included in the list. Each advertising contract of \$50,000 or more that has been in force during 1977 or 1978 to date will be identified separately.

The following data will be provided for each contractor:

Contractor. Enter the name of the commercial firm, individual, or media to which a contract in excess of \$50,000 has been awarded.

Contract no. For each contract of \$50,000 or more awarded to the contractor, enter the number by which the contract is identified in agency procurement records.

Contract period. For each contract of \$50,000 or more, enter the time period for which the contract was or is effective.

Amount. Enter the amount for which each separately identified contract was awarded.

Exhibit 1  
Bulletin No. 78-8

Fiscal Year [1977] [1978]

ADVERTISING OUTLAYS 1/  
(Dollars in thousands)

[Name of department or agency]

Description (1)	Agency Recruiting (2)	Public Service (3)	Program Promotion (4)	Total (5)
--------------------	-----------------------------	--------------------------	-----------------------------	--------------

[Name of bureau]

1. Media
2. Advertising agencies
3. Total

Total, [Department  
or agency name]:

1. Media
2. Advertising agencies
3. Total

Explanation

- 1/ For the March 24, 1978 submissions, indicate in the heading whether the report is on outlays to minority business enterprises or small business enterprises.

Exhibit 2  
Bulletin No. 78-8

PRINCIPAL ADVERTISING CONTRACTORS

Fiscal Years 1977 and 1978

<u>Contractor</u>	<u>Contract No.</u>	<u>Contract Period</u>	<u>Amount</u>
-------------------	---------------------	------------------------	---------------

78-0122  
rec'd 16 Jan  
CONF 78-0040

THE WHITE HOUSE  
WASHINGTON

January 12, 1978

MEMORANDUM FOR THE HEADS OF  
EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Multi-Year Budget Planning

The demanding task of preparing the Federal Budget for fiscal year 1979 is almost complete. Your cooperation in this task has been very gratifying.

During the process of preparing the 1979 Budget, I was reminded -- as I am sure you were -- that it has become very difficult for either the Congress or the President to plan budgets effectively just one year in advance. Accordingly, I am asking that your Fiscal 1980 Budget requests be prepared as part of a three-year budget plan. Work on these should commence immediately after the FY 1979 budget is transmitted.

*What should we do about Congress?*

The Office of Management and Budget will give you the 1979 allowances and the planning base estimates for fiscal years 1980, 1981, and 1982. These will be based on your projections for the FY 1979 budget. Then, in the spring, I will review major FY 1980 budget issues that might significantly alter the three-year planning base estimate. Afterwards the Office of Management and Budget will give you detailed guidance (and if necessary, revised planning base estimates) as you undertake the preparation of your fall budget request.

I realize that some issues will occasionally arise during the year which I will not have had a chance to consider in these comprehensive spring and fall budget reviews. When this happens I want an analysis of long-term budget costs to be included among the briefing papers I receive.

Multi-year budget planning should help make our government work better. I know you will do everything possible to see that the transition is smooth.

*Jimmy Carter*

CONF  
78-0040

SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM

UNCLASSIFIED CONFIDENTIAL SECRET

OFFICIAL ROUTING SLIP

TO	NAME AND ADDRESS	DATE	INITIALS
1	[Redacted]	18 Jan	[Signature]
2	[Redacted]	1/19	CS
3	Mr. Taylor		

STAT

4 [Redacted]

5 *Let's discuss what guidance you would put in that letter at this point. We need the heads approved*

6 [Redacted]

<input type="checkbox"/> ACTION	<input type="checkbox"/> DIRECT REPLY	<input type="checkbox"/> PREPARE REPLY
<input type="checkbox"/> APPROVAL	<input type="checkbox"/> DISPATCH	<input type="checkbox"/> RECOMMENDATION
<input type="checkbox"/> COMMENT	<input type="checkbox"/> FILE	<input type="checkbox"/> RETURN
<input type="checkbox"/> CONCURRENCE	<input type="checkbox"/> INFORMATION	<input type="checkbox"/> SIGNATURE

*by the President - probably should*

Remarks: *be in close back - step of ICS - OMB should be issuing guidance - what do we know from [Redacted]*

The President's multi-year budget planning is still being formulated. I understand the DCI, NSC and OMB are now discussing a 1980 NFIB guidance level. The details of the format for the three-year budget are not firm but it is clear that more attention must be given to 1981 and 1982 than our current program guidance provides. If you wish, I will draft a supplemental guidance memo to the directorates.

*Copies forwarded to Director to Analyze office via [Redacted]*

*[Redacted] - we have [Redacted] 1980-81-82*

*ten [Redacted] [Redacted] [Redacted]*

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[Redacted]	17 Jan. 78

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# EXECUTIVE SECRETARIAT

## Routing Slip

*Compt*

TO:		ACTION	INFO	DATE	INITIAL
1	DCI				
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11	IG				
12	Compt				
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19	DCI/SS				
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		SUSPENSE _____ Date			

Remarks:

Executive Secretary

\_\_\_\_\_ Date



OMR BULLETIN NO. 72-7

Declassified in Part - Sanitized Copy Approved for Release 2013/07/18 : CIA-RDP06M00944R000200130002-0

15 January 1978

Distribution made as follows:

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4	2C20 Hqs. DDO B&F		
5	7E47 Hqs. EXO/NFAC		
6			

ACTION	DIRECT REPLY	PREPARE REPLY
APPROVAL	DISPATCH	RECOMMENDATION
COMMENT	FILE	RETURN
CONCURRENCE	INFORMATION	SIGNATURE

**Remarks:**

Attached for your information is a copy of OMB Bulletin No. 78-7 establishing a multi-year planning system. If you will let us have your questions, we can raise them when we discuss the Bulletin with OMB and IC Staff examiners.

We will give you any additional guidance we get as soon as we get it.

[Handwritten Stamp]

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FROM: NAME, ADDRESS AND PHONE NO.	DATE
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STAT [Redacted] Asst. Compt. / Resources 26 Jan 78

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**EXECUTIVE OFFICE OF THE PRESIDENT**

**OFFICE OF MANAGEMENT AND BUDGET**

**WASHINGTON, D.C. 20503**

**BULLETIN NO. 78-7**

**January 16, 1978**

**TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS**

**SUBJECT: Establishment of a Multi-Year Planning System**

1. Purpose and Background. The President, in a memorandum dated January 12, 1978 (Attachment A), asked each agency head to prepare future budget requests within the context of a three-year budget plan. In accordance with the President's direction, these instructions provide guidance on the transition to a multi-year planning system that will:

- Expand the planning horizon to cover the three years following the budget year and fully integrate long-range planning into the executive budget cycle.
- Ensure that long-term consequences are identified and highlighted when decisions are made.
- Provide a structure for review and analysis of long-term programs and tax policy choices.

2. General Policies. These instructions will take effect upon issuance of the allowance letters forwarded to the agencies following transmittal of the 1979 Budget.

The budget year amounts included in the 1979 Budget and the detailed long-range estimates prepared in connection with the Budget will be the starting point for transition to the multi-year planning system. The planning period referred to in this bulletin covers the three years following the budget year. The estimates included in this system will provide a basis for evaluating the long-range effect on the budget totals of major programs or tax policy initiatives subsequently proposed to the President. In that connection, all significant program and tax policy proposals prepared for the President and/or OMB will include an analysis of budget costs that identifies the long-term effects of the proposals.

The basic measures that will be used in this new system will be budget authority, outlays, and receipts. Other measures of program level, such as total obligational authority or obligations may also be appropriate as supplements to the basic measures. Estimates for the years following the budget year will be prepared in accordance with the guidelines contained in section 23.2 of OMB Circular No. A-11.

### 3. Operation of the Multi-Year Planning System.

a. Budget planning process. During the budget planning process--especially during spring and fall reviews--broad fiscal goals beyond the budget year will be established. Much emphasis will continue to be placed on decisions for the budget year amounts that will be transmitted to the Congress and for which appropriations will be requested. However, long-range implications will be considered in connection with every issue and decisions will be made in the context of the entire planning period.

b. Determining the planning base. Following transmittal of the budget to the Congress in January, OMB will send each agency an allowance letter containing: (1) the amounts included in the President's Budget for the budget year (budget year allowances); (2) planning targets (generally budget authority) for the three years following the budget year; and (3) outlay estimates for the three years following the budget year. The budget year allowances and long-range planning targets will constitute a planning base. The outlay estimates are not to be viewed as targets or ceilings; they should be the spending pattern expected to result from the planning targets.

In connection with the Spring Planning Review, agencies will be asked to develop analyses of issues (e.g., proposed program initiatives, project cancellations, major reorganizations, and program reforms under development) that could significantly affect the planning base. These issues will be presented to the President for decision, as appropriate. (Detailed instructions on the preparation of these issue papers will be provided later.) The Spring Planning Review will culminate in the issuance of 1980 ceilings for fall budget submissions and planning targets for 1981 and 1982.

c. Changes to the planning base. As Administration policy is decided, legislation is enacted, and reestimates are made in the amounts for the approved programs, the

planning base may change. In addition, events may occur that have the potential for changing the planning base. These include probable congressional action and administration proposals under consideration. Changes to the planning base will be made by means of formal reviews and updates, and interim reports on significant changes.

(1) Formal revision of the planning base. OMB will formally review and update the planning base at least three times during the year. These reviews will incorporate changes to the previous base attributable to completed Congressional action, Presidential decisions, and, when necessary, reestimates (including those resulting from changes in economic assumptions). Information provided by the agencies in connection with the preparation of the April and July updates and the spring and fall reviews will provide the basis for these revisions. Subsequent instructions will contain specific guidance on revising the planning base and will also include definitions and further explanations of the multi-year planning concept.

(2) Interim tracking. Between formal reviews and updates of the planning base, information on significant changes--actual and potential--will be collected by OMB. This information will be summarized and presented to the President to keep him up to date on the latest budget conditions and provide him with a budgetary framework for making program and tax policy decisions. Attachment B includes a list and description of the elements that normally will be covered in the summary. Agencies will be provided copies of the planning summaries when transmitted to the President.

4. Reporting. Agencies will be required to provide information on significant changes to the planning base between formal revisions as follows:

a. Analysis of Budget Costs. This report will relate actual and potential changes to the planning base and help to ensure that the budgetary consequences of the President's policy choices are made clear. When major program or tax policy issues are developed and presented to OMB or directly to the President, either at his request or that of his advisers, an Analysis of Budget Costs, in the format of Exhibit 1, will be prepared and included with the program or tax policy decision memorandum. If issues are presented directly to the President, a copy of the Analysis of Budget Costs will be provided promptly to OMB.

The analysis will identify estimated changes to the planning base. When options are presented, estimated changes to the planning base will be provided for each option, and the assumptions underlying the estimates--economic, programmatic, etc.--will be discussed. Factors that could modify these estimates and the potential magnitude of the variations beyond the three-year planning period should also be discussed.

b. Additional interim information. The planning summaries for the President will be compiled, generally, from information available internally within OMB. However, under normal circumstances, agencies usually become aware of proposed program initiatives, potential events that could cause significant reestimates, and potential congressional action at an earlier stage than OMB. Agencies should initiate reporting of potential changes not reflected in the planning summaries prepared for the President. In reporting these potential changes, agencies should use the same general categories as are included in the planning summary provided to the President (see Attachment B).

5. Timing. After receipt of the planning base in the January allowance letter, agencies should submit an Analysis of Budget Costs to OMB whenever decision memoranda or major policy or tax issues are prepared for the President or OMB. Additional interim reporting should occur as soon as the information becomes known.

  
James T. McIntyre, Jr.  
Acting Director

Attachments

THE WHITE HOUSE  
WASHINGTON

JAN 12 1978

MEMORANDUM FOR THE HEADS OF  
EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Multi-Year Budget Planning

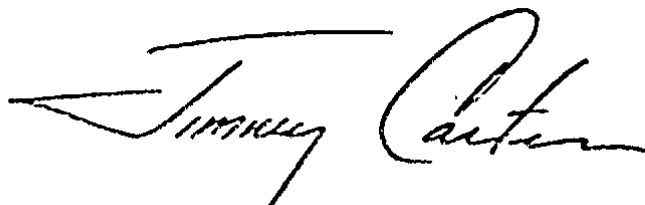
The demanding task of preparing the Federal Budget for fiscal year 1979 is almost complete. Your cooperation in this task has been very gratifying.

During the process of preparing the 1979 Budget, I was reminded -- as I am sure you were -- that it has become very difficult for either the Congress or the President to plan budgets effectively just one year in advance. Accordingly, I am asking that your Fiscal 1980 Budget requests be prepared as part of a three-year budget plan. Work on these should commence immediately after the FY 1979 budget is transmitted.

The Office of Management and Budget will give you the 1979 allowances and the planning base estimates for fiscal years 1980, 1981, and 1982. These will be based on your projections for the FY 1979 budget. Then, in the spring, I will review major FY 1980 budget issues that might significantly alter the three-year planning base estimate. Afterwards the Office of Management and Budget will give you detailed guidance (and if necessary, revised planning base estimates) as you undertake the preparation of your fall budget request.

I realize that some issues will occasionally arise during the year which I will not have had a chance to consider in these comprehensive spring and fall budget reviews. When this happens I want an analysis of long-term budget costs to be included among the briefing papers I receive.

Multi-year budget planning should help make our government work better. I know you will do everything possible to see that the transition is smooth.



C  
CATEGORIES OF PLANNING BASE CHANGES

Planning summaries will be prepared for the President between formal updates of the planning base to keep him informed of significant changes--actual and potential. The summaries will include information categorized as follows:

(1) Actual changes:

- Presidential decisions. Changes due to budget amendments and supplementals approved by the President, pending deferrals or rescissions, and legislative proposals transmitted or publicly supported by the President.
- Congressional action. Changes due to enacted substantive legislation (entitlement and other legislation that has a direct impact upon the planning base), completed appropriation action, the effects from delays in acting on Administration-sponsored legislation assumed in the planning base, and final action or inaction on rescissions and deferrals. Only changes to the planning base that follow directly from congressional action or inaction should be included under actual changes. For example, enactment of discretionary authorizations that require later appropriations will be included under potential changes.

Changes to budget year program levels in the planning base effected by the Congress should be reflected throughout the planning period if the action taken by the Congress implies continuation of that program level in later years.

- Reestimates. The effect of revised economic, demographic, or other assumptions.

(2) Potential changes:

- Administration initiatives. Agency legislative or program proposals and anticipated Presidential initiatives will be reported.



-- Probable congressional action. Potential changes attributable to anticipated congressional action or inaction on Administration proposals, later appropriation actions that may differ significantly from the planning base, and congressional legislative initiatives.

Information on the planning summaries will be limited to those items that would modify outlays or receipts by amounts greater than \$100 million in any period covered. At a minimum, the planning summaries will include information on budget authority and outlays. Other measures of program level will be included, as appropriate. Receipts information will be provided for items relating to tax policy proposals.

EXHIBIT 1  
Bulletin No. 78-7

## ANALYSIS OF BUDGET COSTS

Issue: Whether to adopt an escalator provision in the minimum wage laws.

		(in billions of dollars)			
		<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>
Changes to the Planning Base:					
Alternatives:					
Limit compliance to all firms with gross sales over:					
(1)	\$250,000.....BA	2.4	2.7	3.0	3.2
	O	2.2	2.6	3.4	3.2
(2)	\$500,000 (recommended)....BA	1.8	2.0	2.1	2.2
	O	1.7	2.1	2.0	2.3
(3)	\$700,000.....BA	1.3	1.4	1.5	1.5
	O	1.3	1.2	1.7	1.5

Basis for Estimates:

The automatic percentage increase in the minimum wage would be derived from a weighted average of consumer price index changes over the past two years. The cost estimate, based on the latest official economic forecasts, largely reflects increased wages to participants in Federal employment programs geared to the minimum wage--primarily the summer youth and CETA programs. A lag time of six months was assumed in developing the impact on Federal payroll salaries indirectly geared to the minimum wage, i.e., low-grade civil-servants and enlisted personnel. Finally, an additional \$100 million was estimated to be spent in each year for the enforcement of rate increases.

Factors that could modify the budget impact:

The Bureau of Labor Statistics reports that the C.P.I. has increased at a considerably higher rate over the past several months in contrast to the longer-term trend of gradually declining rate increases. If this short-term trend continues over the next six months, then the program cost estimates would increase by roughly 10% in 1979 and more than 30% in 1982.

OMB BULLETIN NO. 78-6

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EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

BULLETIN NO. 78-6

December 22, 1977

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Data on acquisition, operation, or use of automatic data processing systems

1. Purpose. This Bulletin provides instructions for updating information on automatic data processing (ADP) systems submitted to the Office of Management and Budget (OMB) under section 43.2 of OMB Circular No. A-11 and providing this information to the Congress.

2. Background. Public Law 89-306 (the Brooks Act) established a framework for the economic and efficient procurement and utilization of ADP resources. Consistent with the objectives of that Act, agency plans for ADP must be accurately reflected in the President's budget determinations. As a result of Congressional concern about the increasing level of Federal expenditures for ADP, various committees of Congress and individual members have requested that information on the level of ADP expenditures within each agency be provided to the Congress.

3. Coverage. These instructions apply to each agency required to submit a summary report on the acquisition, operation, or use of ADP systems, pursuant to section 43.2 of Circular No. A-11.

4. Material required. When information is transmitted to the agency on the President's budget determinations, a separate amount will be included for ADP. Upon receipt by the agency, the exhibits and narratives on ADP (required under section 43.2 of Circular No. A-11) will be revised to bring them into accord with the action taken by the President. When requested by OMB representatives, materials for printing (e.g., program and financing schedules) and supplementary source documents will also be revised to reflect the President's determination with respect to ADP. Both types of revisions will be made in accordance with instructions in Circular No. A-11 on "Conforming to

determinations" (section 11.8) and will be submitted to OMB immediately.

5. Budget justification. In furnishing supplementary information to the Congress on appropriation requests and other budgetary matters, agencies may be requested to submit exhibits and narrative justifications for ADP systems. Data will be consistent with the revisions made following the receipt of Presidential determinations.

Agency officials will be prepared to testify on ADP systems and their impact on agency budget requests during hearings before Congressional Appropriations and other committees.

6. Inquiries. Questions regarding the instructions in this Bulletin will be addressed to the OMB program division responsible for reviewing the agency's budget estimates.

  
James T. McIntyre, Jr.  
Acting Director

OMB BULLETIN 78-5

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23 NOVEMBER 1977

STATote: DCh/BMG discussed with [ ] No  
action required for CIA budget. Data provided  
20 Dec 1977 for CIARDS. 12/8/77

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EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

BULLETIN NO. 78-5

November 25, 1977

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Preparation and submission of 1979 "current services" estimates

1. Purpose. These instructions cover the preparation and submission of "current services" estimates for fiscal years 1978 and 1979. The instructions apply to all agencies of the Government including the Legislative Branch, the Judiciary, and off-budget Federal entities.

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 1979 budget if all programs and activities were carried on at the same level as the fiscal year in progress (base year, 1978) and without policy changes. The Act also requires submission of supporting information such as economic assumptions and program caseloads.

The Congress -- in particular the Joint Economic Committee, and the budget committees -- will use the current services information to assess the size and direction of the budget and as a base against which alternatives, including the President's budget proposals, can be evaluated.

3. Basis for the estimates.

a. Current services base estimates for FY 1978.--The current services estimates for 1978 will constitute the base estimates from which the 1979 current services estimates will be determined and should be derived from the amounts for 1978 to be included in the 1979 Budget. In estimating current services outlays, agencies will be expected to exercise the same care to avoid overestimates (the "shortfall" problem) that they have been instructed to exercise in preparing Presidential budget outlay estimates.

(1) The current services estimates should include the effects of legislation signed into law on or before November 30, 1977. It should be assumed that deferral actions will continue in effect for the period specified in special messages transmitted to the Congress under the Impoundment Control Act of 1974, unless overturned by the Congress by November 30, 1977. (Agencies will be asked to make subsequent corrections to reflect congressional action, if any, during December.)

(2) The estimates should be based on the economic assumptions provided by OMB in connection with the 1979 budget estimates.

(3) If 1978 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 action. For other programs, estimates will be based on the levels contained in the continuing resolution in effect on November 30.

b. Current services estimates for FY 1979.--The current services estimates for 1979 should reflect the anticipated costs of continuing on-going Federal programs and activities at 1978 current services base levels without policy changes (i.e., ignoring all pending new legislative proposals, Presidential and congressional). The estimates should allow for the expected future implications of current law (as specified in paragraph 3a(1) above), and for anticipated changes of a relatively uncontrollable nature (as distinct from policy changes). More specifically:

(1) 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 temporary commissions scheduled to expire). All recurring programs whose authority is scheduled to expire will be assumed to continue.

(2) Current services estimates will be based on the same general level of prices as the budget request. Estimates will not be adjusted for subsequent price increases 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. Effects of future Federal pay increases will not be included in the estimates prepared by agencies; a separate Government-wide allowance will be developed by OMB.

(3) Estimates for benefit programs 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 1978 current services base estimates for (a) changes in beneficiary and average benefit levels due to economic or demographic factors; (b) the effects of anticipated inflation (based on price assumptions provided by OMB); and (c) enacted legislation that changes the entitlement formula or coverage of the program.

(4) Estimates for benefit programs that do not have legislated cost-of-living increases under current law (such as veterans compensation and pensions) should be adjusted from the 1978 current services base estimates only for (a) anticipated changes in beneficiary and average benefit levels due to demographic factors; and (b) enacted legislation that changes benefit levels or coverage of the program. Average benefits should not be adjusted for inflation, since this would require a change in existing law.

(5) Federal employment will be assumed to remain level, in general. Productivity increases will be assumed to offset growth in workload 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.

(6) Grants to State and local governments excluding those for benefit programs (such as those for public service employment, education, or mass transit) should be adjusted only for the implications of current law and the spend-out of 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 current services base estimates. Outlays under these programs should not be adjusted for inflation beyond the level reflected in the 1979 budget estimates unless such adjustment is specifically provided for by law.

(7) 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 1978 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 the levels reflected in the 1979 budget estimates unless such adjustments are specifically provided for by law or are 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 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 (1978) and outlays that are consistent with that amount of budget authority for the budget year plus the appropriate spend-out of balances of prior budget authority.

#### 4. Materials required.

a. Computer listing.--OMB will provide each agency with three (3) copies of a computer listing in the format of Exhibit 1. The listing displays agency, bureau, and account titles and contains budget authority and outlay line entries labeled "current services," "proposed legislation," and "discretionary" for 1977, 1978 and 1979. The sum of amounts entered on these lines in the 1977 "actual" and 1978 and 1979 "last estimate" columns will equal the budget authority and outlay amounts entered on the "total Presidential request" lines for these columns. The listing also contains information pertaining to offsetting receipts. Agencies will mark up the computer listings in accordance with the following guidelines and return two (2) copies to OMB:

(1) Corrections will be made by entering the correct amounts in the 1978 and 1979 "revised estimate" columns opposite the computer generated amount in the "last estimate" column. No corrections will be made for "1977 actual" amounts.

(2) The "total Presidential request" is the total amount of budget authority or outlays requested for the account in the 1979 budget. The "proposed legislation" lines consist of items with a transmittal code of "2"--proposed for later transmittal under proposed legislation. (See OMB Circular No. A-11, section 21.4.) Amounts printed in the "last estimate" columns for these lines represent the

most recent information in the 1979 budget computer file. Make any corrections necessary to update these amounts on this listing. Calculations of the current services and discretionary amounts should be based on the corrected amounts. Agencies should note, however, that this computer file will be used only for construction of the current services data base. Annotations of "Presidential request" and "proposed legislation" amounts made on this listing will not be used to update the OMB computer system used to compile the President's budget. To change Presidential budget information in the computer system, agencies must contact the OMB budget examiner concerned with the agency's budget estimates.

(3) The "current services" figures printed on the listing are computer generated numbers that arbitrarily assume that the "discretionary" amount is zero. Ignore these amounts in estimating the true current services amounts. Estimates should be based on the instructions contained in section 3 above.

(4) Changes from an on-going current services base level that do not require new legislation can be regarded as the result of "discretionary" policy action. The "discretionary" amounts for budget authority and outlays are to be computed as a residual, such that the "current services" estimate, plus the "proposed legislation," plus the "discretionary" amount equals the corrected "Presidential request" for the account. Note that the computer listing will show no entry for "discretionary" amounts since this amount has arbitrarily been assumed to be zero.

(5) The number of changes made to each numbered line of the listing should be recorded in the column labelled "number of changes."

(6) Information on offsetting receipts is not required since the data necessary to generate current services offsetting receipt amounts is already available in OMB's computer files.

b. Back-up material.--Two (2) copies of analyses of differences in the format of Exhibits 2 and 3 will be submitted for program estimates with major budget authority or outlay differences (more than \$100 million) and for the major benefit programs identified in Attachment A.

(1) Major differences in program estimates. In the analysis of differences between current services estimates and Presidential budget estimates (Exhibit 2), agencies will explain major differences in budget authority or outlays (more than \$100 million) between:

(a) the 1978 Presidential budget estimate and the current services base estimate for 1978 and

(b) the 1979 current services estimate and the 1979 Presidential budget estimate.

In the analysis of differences between the 1978 and 1979 current services estimates (Exhibit 3), agencies will explain major differences between the current services base estimates for 1978 and the 1979 current services estimates.

The analysis 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 indicated below.

As a rule, differences between the Presidential budget estimates and current services estimates for programs other than benefit programs (Exhibit 2) should result only from:


- proposed legislation (Administration proposals included in the Presidential budget estimates for 1978 and 1979 should be excluded from 1978 and 1979 current services estimates),
- current services estimates that reflect the levels provided in authorizing legislation or a continuing resolution if the 1978 appropriations have not yet been enacted (as provided in section 3a above), and
- Presidential requests for 1979 budget authority that call for a different program level than the estimated 1979 current services level.

C Differences between the 1978 current services base and 1979 current services estimates (Exhibit 3) should be explained in terms of:

- the 1979 effects of enacted authorizations, appropriations, and other legislation;
- expiration of temporary programs;
- price increases provided for under current law, or as permitted 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.

C (2) Major benefit programs.--For the benefit programs identified in Attachment A, agencies must indicate the number of beneficiaries assumed, on a current services basis, in 1978 and 1979. A brief explanation of differences between 1978 and 1979 current services estimates and the Presidential budget estimates for 1978 and 1979 is also required. Differences between the budget estimates for 1978 and the current services base estimates should be explained in terms of the effects of proposed legislation included in the budget estimates. The budget estimates and the current services base estimates for 1978 should not differ because of reestimates. Differences between the 1978 current services base and 1979 current services estimates may be explained by identifying changes resulting from (1) mandatory cost-of-living adjustments, (2) other benefit increases resulting from existing law, (3) changes in the number of beneficiaries eligible under existing law, and (4) higher earnings records for new beneficiaries and, in the case of budget authority for certain trust funds, higher receipts. If so 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 December 20, 1977.

  
James T. McIntyre, Jr.  
Acting Director

Attachments

**ATTACHMENT A**  
**Bulletin No. 78-5**

**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**

**Child Food Assistance**

**Veterans Compensation**

**Veterans Pensions**

**Veterans Readjustment Benefits**

Exhibit 1  
OMB Bulletin No. 78-5

PAGE 44 CURRENT SERVICES DATA AND UPDATE FORM

PREPARED BY: *John Q. Agency* NUMBER OF CHANGES: 1977 ACTUAL: 1978 LAST ESTIMATE: 1978 REVISED ESTIMATE: 1979 LAST ESTIMATE: 1979 REVISED ESTIMATE

TELEPHONE: *8473-5261*

NOTE: IF ANY AMOUNT FIELD ON THIS PRINTOUT IS CORRECT AS SHOWN, THEN LEAVE BLANK THE CORRESPONDING AMOUNT POSITION IN THE FOLLOWING COLUMN LABELLED "REVISED ESTIMATES". OTHERWISE, THESE CORRECT AMOUNTS WILL BE RE-ENTERED NEEDLESSLY. IF ANY AMOUNT EXCEPT 1977 IS INCORRECT AS SHOWN, THEN ENTER THE CORRECT AMOUNT IN THE CORRESPONDING POSITION IN THE FOLLOWING COLUMN LABELLED "REVISED ESTIMATES". PARENTHEZIZED CODES PRECEDING 1978 AND 1979 AMOUNTS ARE FOR KEY PUNCHING PURPOSES ONLY. THEREFORE, PLEASE IGNORE THEM. THE PARENTHESIZED CODE TO THE LEFT OF THE FORM REPRESENTS THE SUBFUNCTION OF THE ACCOUNT. IMMEDIATELY FOLLOWING IT IS THE CONTROLLABILITY CLASSIFICATION CODE. BE SURE TO INSERT AMOUNTS IN \$1000S AND FILL IN YOUR NAME AND PHONE NUMBER IN THE SPACE PROVIDED ABOVE. THANK YOU

(In thousands of dollars)

OFFICE OF TERRITORIAL AFFAIRS									
ADMINISTRATION OF TERRITORIES									
ACCOUNT NUMBER	DESCRIPTION	CLASSIFICATION	1977	1978	1978	1979	1979	1979	
			ACTUAL	LAST ESTIMATE	REVISED ESTIMATE	LAST ESTIMATE	REVISED ESTIMATE	LAST ESTIMATE	
228300	CURR.SER.BA(806)	(265)	2	58072	21001	(26) 58,072	21001	(28)	58,072
228400	DISCRET. BA(806)	(265)	2			(26) -37,071		(28)	-37,071
228500	CURR.SER. O(806)	(265)	2	64902	35000	(26) 57,000	20027	(28)	58,072
228600	DISCRET. O (806)	(265)	2			(26) -22,000		(28)	-38,045
	TOTAL CURR.SER.BA			58072	21001	58,072	21001		58,072
	TOTAL DISCRET. BA					-37,071			-37,071
	TOTAL CURR.SER. O			64902	35000	57,000	20027		58,072
	TOTAL DISCRET. O					-22,000			-38,045
	TOTAL PRES.REQ.BA			58072	21001		21001		
	TOTAL PRES.REQ. O			64902	35000		20027		
TRUST TERRITORY OF THE PACIFIC ISLANDS									
228700	CURR.SER.BA(806)	(265)	2	101717	89239	(26) 87,119	90610	(28)	90,430
228800	PROP.LEG.BA(806)	(265)	1		9458	(26) 9,408		(28)	
228900	DISCRET. BA(806)	(265)	2			(26) 120		(28)	180
229000	CURR.SER. O(806)	(265)	2	91800	91242	(26) 91,142	88250	(28)	88,000
229100	PROP.LEG.O (806)	(265)	0		5058	(26)	5400	(28)	
229200	DISCRET. O (806)	(265)	2			(26) 100		(28)	200
	TOTAL CURR.SER.BA			101717	89239	87,119	90610		90,430
	TOTAL PROP.LEG.BA				9458	9,408			
	TOTAL DISCRET. BA								180
	TOTAL CURR.SER. O			91800	91242	91,142	88250		88,000
	TOTAL PROP.LEG.O				5058		5400		
	TOTAL DISCRET. O					100			200
	TOTAL PRES.REQ.BA			101717	98697	98,617	90610		90,610
	TOTAL PRES.REQ. O			91800	96300		93650		93,600

93515



EXHIBIT 1 (Continued)  
Bulletin No. 78-5

Abbreviations Used on Current Services  
Data and Update Form

- CURR.SER.BA - Estimated current services budget authority.
- CURR.SER.O - Estimated current services outlays.
- OFF.REC. - Offsetting receipts estimated in the 1979 Budget.
- PROP.LEG.BA - Budget authority under proposed legislation included in the 1979 Budget.
- PROP.LEG.O - Budget outlays under proposed legislation included in the 1979 Budget.
- PROP.LEG.OR - Offsetting receipts under proposed legislation included in the 1979 Budget.
- DISCRET.BA - Discretionary budget authority.
- DISCRET.O - Discretionary outlays.
- PRES.REQ.BA - Net budget authority requested in the 1979 Budget.
- PERS.REQ.O - Net budget outlays estimated in the 1979 Budget.

EXHIBIT 2  
Bulletin No. 78-5

DEPARTMENT OF GOVERNMENT

Analysis of Differences  
Current Services to Presidential Budget Proposals  
(1978 and 1979)

(In millions of dollars)

		<u>1978</u>	<u>1979</u>
Current services estimates	BA	41,750	41,825
	O	31,484	31,701
Proposed legislation to reduce costs of Arctic exploration (beginning 4/16/78)	BA	-119	-241
	O	-119	-241
Proposed rescission of Arctic construction funds, currently pending in Congress (R78-12)	BA	220	---
	O	102	118
Other pending rescissions (3)	BA	7	---
	O	5	2
Proposed increase in iceberg surveillance flights	BA	---	108
	O	---	105
Proposed base closing (McMurdo Sound)	BA	---	-83
	O	---	-81
Presidential budget estimates	BA	41,858	41,609
	O	31,472	31,604

EXHIBIT 3  
Bulletin No. 78-5

DEPARTMENT OF GOVERNMENT

Analysis of Differences  
1978 Current Services Base to 1979 Current Services Estimate  
(In millions of dollars)

	<u>Budget Authority</u>	<u>Outlays</u>
1978 current services base estimate	41,750	31,484
Benefit payments for disabled explorers:		
Automatic cost-of-living increases (5.2% in June 1978 and 4.9% in June 1979)	100	100
Beneficiaries (average number assumed to increase from 425,000 to 450,000 in 1979)	<u>125</u>	<u>125</u>
Total benefit payments	225	225
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	<u>---</u>	<u>26</u>
1979 current services estimate	41,825	31,701

OMB BULLETIN NO. 78-4

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EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

BULLETIN NO. 78-4

November 15, 1977

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Excess and near excess foreign currencies

1. Purpose. This Bulletin informs the Departments and agencies of the U.S.-owned foreign currencies that have been determined by the Secretary of the Treasury to be in excess or near excess supply.

2. Rescission. This Bulletin supersedes and rescinds OMB Bulletin No. 77-1 of October 26, 1976. The provisions contained in this Bulletin remain in effect until September 30, 1979, unless superseded or rescinded at an earlier date.

3. Policy. Specific guidance on the utilization of excess and near excess foreign currencies is contained in Office of Management and Budget (OMB) Circular No. A-20, Revised. In general, full utilization of excess and near excess foreign currencies in lieu of U.S. dollars -- consistent with international agreements and availability of the currencies -- must be an objective of every agency with transactions in the respective countries.

4. Excess currencies. Currencies of the following countries are excess to the Government's normal requirements for fiscal years 1978 and 1979.

Burma  
Egypt  
Guinea

India  
Pakistan

5. Near excess currencies. Supplies of currencies available for U.S. programs for fiscal year 1978 in the following countries are above immediate needs, but are not sufficient to be declared excess.

Morocco	Sudan	Tunisia
Poland	Syria	Yugoslavia
Sri Lanka		

6. Restrictions on special foreign currency programs. Special foreign currency program appropriations will be available for incurring obligations payable in any excess currencies.

7. Effective date. This Bulletin is effective immediately.

8. Inquiries. Inquiries and requests for assistance should be addressed to the Office of Management and Budget, Budget Review Division, telephone 395-3830 (code 103, ext. 3830).

  
James T. McIntyre  
Acting Director

OMB BULLETIN No. 78-3

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

BULLETIN NO. 78-3

November 3, 1977

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Increased pay costs for fiscal year 1978

1. Purpose. This Bulletin provides instructions for the submission of an analysis of increased pay costs for fiscal year 1978 and guidance on the possible absorption of such costs and the pay supplementals required.

2. Background. Office of Management and Budget (OMB) Circular No. A-11 (sections 13.4(b) and 32.7(b)) instructed agencies to include amounts for the October 1977 pay raise in their 1978 and 1979 budget estimates, if the new pay rates were known at the time of submission. If the rates were not known at that time, agencies should adjust their budget schedules to include the additional 1978 and 1979 amounts required for the pay raise upon receipt of Presidential determinations on the 1979 budget allowances.

The information submitted pursuant to this Bulletin will be the basis for requests to the Congress (in the 1979 Budget) for the 1978 pay supplementals.

3. Coverage. These instructions apply to the fiscal year 1978 costs of:

a. Civilian personnel pay raises effective in October 1977 under Executive Order 12010, issued pursuant to P.L. 91-656, and comparable raises granted by administrative action. (Note that P.L. 95-66 excludes Executive Schedule salaries from the October 1977 pay raise.) Also included in this category of pay raise will be U.S. Park Police force pay raises effective in October 1977 under P.L. 94-533.

b. Military personnel pay raises effective in October 1977 under Executive Order 12010, issued pursuant to P.L. 90-207.

c. Actual wage board pay raises currently effective in fiscal year 1978 and granted under 5 U.S.C. 5341, together



with additional raises estimated to be granted under the same authority through September 30, 1978.

4. Absorption policy. The amount of the 1978 pay increase costs specified above will be computed on the basis of the latest approved 1978 program levels.

Agencies will absorb these increased pay costs to the maximum extent possible by:

a. Using all available resources within the account to cover increased pay costs.

b. Using existing transfer authority to maximize absorption when resources within an account are insufficient to meet such costs.

c. Seeking additional transfer authority between appropriation accounts within the same agency. (See paragraph 7.)

Each agency will apply the principles set forth in OMB Circular Nos. A-44 and A-64 to achieve economies through cost reduction, position management, and other management improvement programs. Reapportionment requests should be submitted in accordance with paragraph 6 below to apportion any previously deferred funds (line 10 of S.F. 132) or unapportioned balances of revolving funds (line 11 of S.F. 132) that may now be used to meet increased pay costs.

Pay supplementals should be proposed only when the head of the agency has determined that full absorption is not possible. Available resources will be applied first to program increases for uncontrollable items that qualify for deficiency apportionment, to the extent that the total amount of these program increases can be absorbed. Any available resources remaining should then be applied to cover the various types of increased pay costs (i.e., civilian statutory pay systems), wage board, administrative action, and military pay systems in the following order of priority:

(1) Any type of increased reimbursement to other accounts due to increased pay costs (including payments to revolving funds).

(2) Any type of increased pay cost that can be absorbed in full.

(3) Any type of increased pay cost that cannot be absorbed in full.

If all increased pay costs are absorbed through available resources, any surplus of resources may be applied to other program increases.

5. Preparation of required materials. Each agency is required to submit to OMB by November 21, 1977, an analysis of increased pay costs for fiscal year 1978. The analysis will be prepared in accordance with the instructions in Attachment A and submitted in the format of the related Exhibit. In some cases, it may be necessary for OMB to obtain approximations of these increased pay costs prior to receipt of the materials due November 21, 1977.

In addition to the required analysis, the agency submission will include:

a. A narrative explanation of the methods used in computing the increased pay costs.

b. Proposed appropriation language, including that required to change limitations or to provide extended availability for multiple-year and no-year accounts (i.e., "to remain available for obligation until...").

Guidelines to be used in drafting proposed appropriation language are presented in Attachment B.

6. Apportionment and reapportionment requests. Agency requests for reapportionment to reflect increased pay costs for FY 1978 will be submitted (as necessary) in accordance with Part IV of OMB Circular No. A-34. Requests for "deficiency" apportionments that anticipate a need for pay supplementals are authorized by section 107 of P.L. 95-150 and must be accompanied by three copies of the agency head's statement of necessity, as required by 31 U.S.C. 665(e)(1). The agency head's statement will be worded as follows:

"I hereby determine that it is necessary to request apportionment (or reapportionment) of the appropriation '(appropriation title)' on a basis that indicates the necessity for a supplemental estimate of appropriations for pay increases in accordance with section 107 of P.L. 95-150."

When a group of such requests is transmitted at one time, a single certification may be used for all requests.

7. Supplemental appropriations for 1978. The proposed appropriation language and analysis required under paragraph 5 will serve as the basis for the request for 1978 pay supplementals. Upon approval by OMB of amounts of supplemental appropriation requests, agency budget schedules will be adjusted as necessary. Program supplementals will be handled separately, in accordance with the regular procedures of OMB Circular No. A-11.

NOTE: Reporting requirements under the Impoundment Control Act as they relate to supplementals to be derived by transfer have been changed. If an agency is seeking a supplemental to be derived by transfer between appropriation accounts that involves (see paragraph 4c):

- no withholding or delaying of the availability of funds, no deferral report is required. (In these cases, available resources should be apportioned in the losing accounts so that the funds to be transferred are available in the last half of the fiscal year.)
- withholding or delaying the availability of funds (in order to preserve the funds for transfer), a deferral report (see OMB Bulletin No. 75-15) is required and should be submitted, as appropriate, with the supplemental request.
- funds that cannot be used in the losing account regardless of whether the Congress accepts the transfer request, a rescission proposal is to be submitted once a definite amount of excess funds is known. When such a definite amount is not known at the time the supplemental is requested, OMB should be notified of these circumstances. In those cases, the rescission proposal (and the related request for withholding) should not be submitted until a definite amount of excess funds is known by the agency.

  
James T. McIntyre  
Acting Director

Attachments

ATTACHMENT A  
Bulletin No. 78-3Analysis of Increased Pay Costs for  
Fiscal Year 1978

Each agency will submit by November 21, 1977, an analysis of increased pay costs for FY 1978 resulting from the pay raises specified in paragraph 3 of this Bulletin. An original and two copies of this analysis will be prepared for fiscal year 1978 in the format illustrated by the Exhibit. The analysis will be accompanied by the narrative explanation and appropriation language required in paragraph 5 of this Bulletin.

For purposes of this analysis, amounts for allocation accounts (transfer appropriation accounts) will be incorporated in the amounts shown for the parent account rather than in the amounts shown for the receiving agency. Each agency receiving an allocation will furnish to the agency responsible for the parent account the data necessary to prepare the analysis (including justifications) by November 14, 1977, unless other arrangements have been made by the agencies concerned. Allocation accounts will be considered a source of transfer only by the parent agency.

Advances or reimbursements between government accounts should be treated in the following way:

- The performing agency will include the associated increased pay costs in columns 2 and 3 of their analysis. (See attached exhibit). These costs will also be included in column 5, treated as a part of the performing agencies' absorption. (See instructions for entries under column 5 below.)

- The ordering agency will consider these increased pay costs as a part of ordinary expenses and will not include them in columns 2 and 3 of their analysis, since such costs relate to employees of the performing agency. The ordering agency will absorb, to the maximum extent possible, the payments to other accounts or agencies for the increased pay costs through administrative action and will report the portion of the increased pay costs that cannot be absorbed through administrative action in column 4 of the analysis. (See instructions for entries under column 4 below.)

Where more than one type of pay increase is involved (i.e., civilian statutory pay systems, wage board, administrative

action, or military pay systems), the amounts applicable to each will be reported separately in columns 2 through 4 of each analysis. Increased pay costs for allocation accounts will be included, by type of pay raise, in the amounts shown for the parent account in columns 2 through 4. In columns 5 through 8, the amounts for each account will be reported in total (i.e., without separately identifying the amount associated with each type of pay increase or allocation account).

The final entry in each table will be labeled "Total, all pay increases" and will show the total amounts for the agency for columns 2 through 8.

The analysis will be prepared on 8" x 13" paper, as described below:

Column 1. List under each bureau or organizational unit to which separate appropriations or funds are available, the title of each account (other than allocation accounts) out of which any increased pay costs are paid directly. These will include revolving and management funds (excluding consolidated working funds) and trust funds. Account titles will be listed in the order in which they appear in the budget. At least one line should be left between account titles.

Increased pay costs under civilian statutory pay systems will be entered without further identification. Other types of pay increases (i.e., wage board, administrative action, and military pay systems) will be identified in the stub column under each account where appropriate.

Column 2. Enter the direct cost of pay raises for employees paid from the reporting account whether or not the costs result from the performance of reimbursable work. Agencies should be careful to include any additional payments that are normally associated with object class 11, such as overtime, Sunday premium pay, etc. If the increased pay cost is disproportionately high in relation to the base for any account, the reasons should be fully set forth in the narrative explanation. Do not report in this column advances or reimbursements to other accounts for work or services. (To the extent they cannot be absorbed through currently authorized agency administrative action, they are to be reported in column 4.)

Column 3. For each listed account, report the added costs that are indirectly related to the pay raise, whether

or not the costs are reimbursable. For this purpose, the related costs include such items as Government retirement contributions, employer FICA taxes, Government contributions to employee life insurance premiums, and other payments that are based on employees' salaries.

Do not report in this column advances or reimbursements paid to other accounts for work or services. (To the extent they cannot be absorbed through currently authorized agency administrative action, they are to be reported in column 4.)

Column 4. Enter the portion of the increased pay costs to be paid as advances and reimbursements to other accounts that cannot be absorbed through administrative action. In most cases this column should be blank, since payments to other accounts will be considered for absorption ahead of the increased pay cost of the reporting account.

Column 5. Report, in total for each account, the portion of the increases shown in columns 2 and 3 that can be absorbed through currently authorized agency administrative action. This will include absorptions through transfers from other accounts and amounts to be covered by reimbursements from other accounts.

Column 6. Report, in total for each account, the portion of the increased costs in columns 2, 3, and 4 that could be absorbed if the Congress provides authority to increase limitations on administrative expenses or personal services.

Column 7. Total of columns 5 and 6.

Column 8. This column should equal the sum of columns 2, 3, and 4 minus column 7, and will represent the additional appropriation considered necessary for the account as a result of the pay raises reported.

NOTES: a. Amounts are in dollars.  
b. Actual size of this form is 8 x 13 inches.

EXHIBIT  
Bulletin No. 78-3

ANALYSIS OF 1978 INCREASED PAY COSTS

DEPARTMENT OF GOVERNMENT

Organizational unit and account title (1)	Increase in direct pay and other related cost of this agency		Amounts to be paid to other accounts that are not absorbed administratively (4)	Possible by admin- istrative action (5)	Net absorption		Additional appropria- tion required (8)
	Direct pay (2)	Related cost (3)			Requiring increase in limi- tation (6)	Total (7)	
<b>Office of the Secretary:</b>							
Salaries and expenses.....	197,420	18,700	. . .)	79,700 <sup>1/</sup>	. . .	79,700	170,870
Wage board.....	31,500	2,950	. . .)				
<b>Bureau of Economic Development:</b>							
Salaries and expenses.....	949,160	89,220	. . .)	723,500	. . .	723,500	314,880
Inspection Services.....	176,000	16,540	21,050	. . .	. . .	. . .	213,590
Development Trust Fund.....	1,240,000	111,600	. . .	21,600	1,330,000	1,351,600	. . .
<b>Government Corporation:</b>							
ABC Revolving Fund (adm. action).....	1,065,000	100,110	. . .	865,110	300,000	1,165,110	. . .
<b>Total:</b>							
Civ. stat. pay systems.....	9,336,400	872,660	42,310)				
Wage board.....	142,500	13,250	. . .)				
Adm. action.....	1,065,000	100,110	. . .)				
<b>Total, all pay increases.....</b>	<b>10,543,900</b>	<b>986,020</b>	<b>42,310</b>	<b>5,246,660</b>	<b>1,701,600</b>	<b>6,948,260</b>	<b>4,623,970</b>

<sup>1/</sup> Includes \$15,000 to be transferred from "Salaries and expenses, Bureau of Safety" under P.L. \_\_\_\_\_. (Cite existing authority)

Guidelines for Drafting Proposed Appropriation Language  
for Pay Supplementals for Fiscal Year 1978

Indentation, punctuation, and capitalization will conform with the presentation used in Part III, Title II of the 1978 Budget Appendix (pp. 893-897).

Organization titles and breaks, including the appropriation account title, will conform to the fiscal year 1978 appropriation bills as enacted.

All new items not included in the 1978 appropriation bills (e.g., chapters, organizations, accounts, or appropriation language phrases) will be underscored.

Sample formats illustrating the above guidelines follow:

DEPARTMENT OF GOVERNMENT

Office of the Secretary: "Salaries and expenses", \$170,870;

Bureau of Economic Development: "Salaries and expenses",  
\$314,880;  
"Inspection services", \$213,590 to remain available  
until March 30, 19BY;

Development Trust Fund: "Limitation on general operating expenses" (increase of \$1,330,000 in the limitation on general operation expenses);



OMB BULLETIN No. 78-2

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EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

BULLETIN NO. 78-2

October 21, 1977

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Legislative proposals authorizing new budget authority for submission to the 95th Congress, 2nd Session.

1. Purpose. This Bulletin provides instructions for the preparation and submission to the 2nd session of the 95th Congress of legislative proposals authorizing additional appropriations or providing new budget authority outside of appropriation Acts. These special instructions are necessitated by section 607 of the Congressional Budget Act of 1974 (P.L. 93-344). They supplement and, in some respects, supersede the instructions in OMB Circular No. A-19 regarding submission of annual agency legislative programs.

2. Rescission. This Bulletin supersedes and rescinds OMB Bulletin No. 76-7, dated November 12, 1975.

3. Background. P.L. 93-344 requires year-ahead requests for authorization of new budget authority.

In particular, section 607 of P.L. 93-344 states: "Notwithstanding any other provision of law, any request for the enactment of legislation authorizing the enactment of new budget authority to continue a program or activity for a fiscal year (beginning with the fiscal year commencing October 1, 1976) shall be submitted to the Congress not later than May 15 of the year preceding the year in which such fiscal year begins. In the case of a request for the enactment of legislation authorizing the enactment of new budget authority for a new program or activity which is to continue for more than one fiscal year, such request shall be submitted for at least the first 2 fiscal years."

4. Legislative proposals providing authorizations to continue programs or activities into fiscal year 1979 and/or 1980.

a. Proposals for programs that have customarily been authorized on an annual basis (e.g., ERDA, NASA, NSF, Peace Corps, military procurement and construction) should cover, in the same bill, proposed language for fiscal year 1980 and resubmittals (if deemed advisable) or revisions of previously proposed authorizations for fiscal year 1979. If proposals for fiscal year 1979 have not yet been transmitted, they should be included with the proposed language for fiscal year 1980. Subsequent years should also be included if agencies deem it desirable and feasible.

b. Other legislative proposals to extend authorizations for the enactment of new budget authority otherwise expiring at the end of fiscal year 1979 should cover, in the same bill, fiscal year 1980 and such subsequent years as is customary or deemed desirable for the particular program or activity involved.

c. Under section 607, legislative proposals to extend authorizations scheduled to expire at the end of fiscal year 1978 should have already been transmitted to the Congress. If such proposals have not yet been transmitted, if it is deemed advisable to resubmit such proposals previously transmitted, or if revisions are necessary to previously proposed authorizations, language covering fiscal year 1979 should be included in the same bill as proposals for fiscal year 1980 and subsequent years.

5. Legislative proposals providing authorizations for new programs or activities.

a. Proposals authorizing enactment of budget authority for a new program or activity should include at least two fiscal years, unless such new program or activity is proposed to be effective for only one fiscal year and to terminate at the end of that year.

b. Any such proposals which provide for authorizations to begin in fiscal year 1980 should, to the maximum extent feasible, be prepared for submission to the Congress no later than May 15, 1978.

c. Any such proposals which provide for authorizations to begin in fiscal years 1978 or 1979 should be submitted to

the Congress immediately after clearance is given in accordance with OMB Circular No. A-19.

6. General instructions for legislation authorizing new budget authority.

a. In keeping with the intent of section 401 of P.L. 93-344, proposals covering authority heretofore provided in the form of contract authority and borrowing authority should provide that such authority is to be effective only to such extent or in such amounts as are provided in appropriation Acts. Backdoor financing provisions may be proposed only when the exceptions set forth in section 401(d) of P.L. 93-344 apply.

b. As a general rule, bills submitted to the Congress authorizing new budget authority will contain specific dollar amounts for each year included. These amounts should be those agreed on in connection with the policies and program levels approved for the 1979 Budget, including Presidential decisions on program changes for fiscal year 1980 and beyond.

(1) The specific amounts should be consistent with the five-year projections of budget authority printed in the 1979 Budget pursuant to P.L. 93-344. Such amounts will not include allowances for future pay increases or for inflation, except where existing law or legislation proposed in the 1979 Budget provides automatic cost-of-living adjustments or other modifications in certain beneficiary programs. (For further explanation of these amounts see sections 23.2 and 23.4 of OMB Circular No. A-11.)

(2) If special circumstances warrant it, a "such sums as may be necessary" authorization may be proposed in addition to the specific dollar amount authorization, subject to approval in the legislative clearance process described in OMB Circular No. A-19.

(3) Authorizing legislation covering principally salaries and administrative expenses which heretofore has been enacted without specific dollar amounts may continue to be proposed for "such sums as may be necessary."

(4) Authorizing legislation providing for new programs and activities not decided on in the 1979 Budget will be handled on a case-by-case basis.

c. Agencies should draft their authorizing bills to incorporate the highest feasible level of aggregation for new budget authority.

7. Required materials.

a. Fiscal year 1979 authorization extensions. As indicated in paragraph 3, proposed legislation authorizing the continuation of existing programs in fiscal year 1979 should have been submitted to the Congress not later than May 15, 1977. In cases where this could not be done or where the 95th Congress is not expected to act in the 1st session on fiscal year 1979 authorizations which were submitted, new or revised authorizations should be submitted to the 95th Congress, 2nd session, at the same time as the 1979 Budget.

Accordingly, each agency will submit to OMB no later than December 15, 1977, six copies of drafts of proposed authorizing legislation to extend programs and activities that are authorized through fiscal year 1978, but for which it will be necessary to (a) resubmit previously proposed authorizations or propose new or revised authorizations for fiscal year 1979 and (b) propose new authorizations for fiscal year 1979 and subsequent years (see paragraphs 4a and 4c).

Since the specific amounts of the authorizations to be included cannot be determined until after decisions are made in connection with the 1979 Budget, the draft bills as submitted to OMB should contain blank spaces for these amounts. When the 1979 Budget decisions are final, OMB and the agencies will jointly agree on the figures to be inserted.

b. Fiscal year 1980 authorization extensions. As also indicated in paragraph 3, proposed legislation authorizing the continuation of existing programs in fiscal year 1980 must be submitted to the Congress not later than May 15, 1978. To meet this deadline, sufficient time must be provided for the central legislative clearance and coordination process.

Accordingly, each agency will submit to OMB as early as possible but no later than February 28, 1978, six copies of legislative proposals for programs and activities that are authorized through fiscal year 1979, but for which an authorization request is necessary for fiscal year 1980 and subsequent years (see paragraph 4b).

Specific amounts should be included in these draft legislative proposals. These figures should be the amounts agreed on as a result of the 1979 Budget review and should be consistent with the five-year projections included in the 1979 Budget.

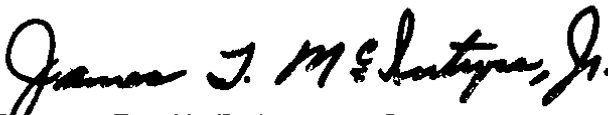
c. Authorizations of new programs or activities. In cases where decisions have been made during the 1979 Budget review calling for authorizing legislation for new programs or activities proposed to begin in fiscal year 1980, draft bills reflecting those decisions, including authorization amounts consistent with the five-year projections included in the 1979 Budget, should be submitted to OMB no later than February 28, 1978, as in paragraph 7b. Those proposed to begin in fiscal years 1978 or 1979 should be submitted, without amounts filled in, as in paragraph 7a, by December 15, 1977.

Any other authorization proposals for new programs or activities should be submitted to OMB in a timely manner to permit the earliest possible submission to the 95th Congress.

8. Other legislative proposals. Agencies are reminded of the importance of submitting at the earliest possible date their other legislative proposals for consideration by the next session of Congress. These proposals should be submitted to OMB in accordance with the instructions set forth in section 6 of OMB Circular No. A-19.

9. Inquiries. Inquiries and requests for assistance with respect to the requirements contained in this Bulletin should be addressed to the Assistant Director for Legislative Reference (395-4864).

10. Effective Date. This Bulletin is effective immediately and will remain in effect until rescinded.

  
James T. McIntyre, Jr.  
Acting Director