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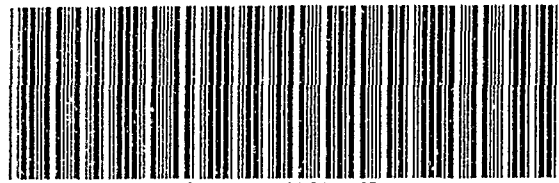
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　　　　　　　　SELECT COMMITTEE ON INTELLIGENCE
　　　　　　　　oHOUSE SELECT COMMITTEE
This in response to HSC let dtd 7/30/75 requstng
access to FBI budgetary info already provided to
Govt Accounting Office to investigtn for House
Judiciary Committee.　Attached ur approval &
forwarding to Committee orgnl of memo constitutes
complete response to request.　We hv responded
to reqts in HSC let dtd 7/30/75.　Copy of memo
being provided for ur records.
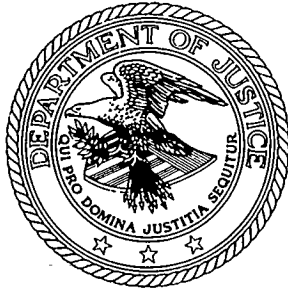
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Department of Justice
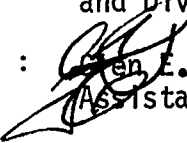
THE FY 77
SPRING PLANNING CALL

PREPARED BY

MANAGEMENT PROGRAMS AND BUDGET STAFF
OFFICE OF MANAGEMENT AND FINANCE

UNITED STATES GOVERNMENT

Memorandum

TO : Heads of Offices, Boards, Bureaus
and Divisions

DATE: February 14, 1975

FROM : Glen E. Pommerening
Assistant Attorney General for Administration

SUBJECT: FY 77 Spring Planning Call

Attached is a copy of the Department of Justice FY 77 Spring Planning Call which outlines the requirements for the formulation of your FY 77 budget request. In recent weeks, you and your staff have been contacted by members of the Office of Management and Finance to elicit your experiences during the FY 76 MBO/Budget cycle and your views of how the process could be improved. We have attempted to address the problems which were identified throughout the Department and to make those changes which will simplify and improve the MBO/Budget process. These changes do not deviate from the philosophy and concepts of management-by-objectives but, rather, attempt to eliminate some of the formulation and analytical problems experienced in the FY 76 cycle.

One of the innovations for FY 77 is that organizations will not be required to submit objectives for their entire range of activities. In FY 77, we will be more interested in soliciting objectives in selected program areas. It remains each program manager's responsibility to identify objectives which have the most importance for his organization and highlight those specific objectives which could be of Presidential level interest. You should also be prepared to develop your objectives in response to policy guidelines that may be subsequently issued by the Attorney General. In addition, you should be prepared to define objectives in program areas which are of particular interest to the Department; you will be advised of these designated program areas within the next three weeks.

Twenty copies of your FY 77 Spring planning submission should be transmitted by April 14, 1975, to the Assistant Attorney General for Administration. The Office of Management and Finance will provide staff assistance in implementing these instructions.

Attachment

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

5010-110

U.S. Department of Justice

FY 77 SPRING PLANNING CALL

February 14, 1975

Prepared by: Management Programs
and Budget Staff
Office of Management
and Finance

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PREFACE

   In February 1974, the Attorney General promulgated the Department of Justice Management-by-Objectives (MBO) system. As indicated in the MBO Handbook, the Department's MBO system was designed to be introduced in phases: in FY 76, the budget and the MBO submissions were concurrent; the FY 77 Spring Planning Call, which is the second phase of the Department's MBO system, integrates the MBO submission into the budgetary process through the Department's program structure. The FY 77 Spring Planning Call also contains several changes in reporting requirements which will hopefully minimize the formulation and analytical difficulties experienced in the FY 76 MBO/Budget process.

   Given the scarcity of resources which all Government agencies will be facing in the coming years, it is essential that the Department carefully analyze and prioritize its resource requirements so that it may compete effectively with other Government agencies for available financial resources.

PART I

GENERAL INFORMATION AND POLICIES

A. INTRODUCTION

The Department of Justice's FY 77 planning and budget cycle will reflect changes in the scheduling, the number of submissions required and the types of material submitted. Some of these changes are designed to continue the Department's efforts to improve fiscal and program management in a period of increasingly scarce resources and others are a result of requirements imposed on the Department by the Congressional Budget and Impoundment Control Act of 1974.

During the FY 77 cycle there will be four distinct calls for submissions of information: the FY 77 Spring Planning Call which is the Department of Justice's management and planning instrument; the FY 77 Call for the Office of Management and Budget (OMB) submission; the Current Services Budget Call which is a new requirement of the Congressional Budget and Impoundment Control Act of 1974; and the FY 77 Congressional Estimates Call. Appendix A outlines the major events in the FY 77 planning and budget cycle.

B. SPRING PLANNING CALL

The first of these calls, the FY 77 Spring Planning Call, is addressed in detail below. Organizations will submit twenty (20) copies of their Spring Planning Submission to the Assistant Attorney General for Administration by April 14, 1975. The Department's hearings on FY 77 program plans, objectives and proposed budgets are scheduled to begin in mid-May 1975 and will continue through mid-June 1975. Organizations will be advised in April regarding the final Department hearing schedule.

C. OMB SUBMISSION CALL

The second call for the traditional OMB submission will be issued by the Department in late July 1975; this call will request organizations to prepare the FY 77 OMB submission. The OMB submission will be prepared on the basis of Department budget marks approved by the Attorney General, subsequent to the Spring review hearings. These Department marks will be communicated to the organizations by late July 1975, and the Department will consider appeals up to ten days after the communication of the internal marks. The Department's FY 77 budget estimates must be submitted to OMB by September 30, 1975. Pending approval of the Department's program activity structure (see Appendix B), the Department expects the FY 77 OMB budget submission to conform to the presently approved budget activities.

D. CURRENT SERVICES BUDGET CALL

The Congressional Budget and Impoundment Control Act of 1974 requires the submission of a Current Services Budget which will be the subject of the third call of the FY 77 cycle.[1] The FY 77 Current Services Budget must be submitted by OMB to the Congress by November 10, 1975. Details for preparing the Current Services Budget will be forwarded as soon as the Department receives OMB's instructions.

E. CONGRESSIONAL ESTIMATES CALL

The normal call for Congressional Estimates for FY 77 will be issued by the Department to organizations by early January 1976. The exact date of this call is a function of when OMB's final decisions on the FY 77 budget are received by the Department.

F. NEW DEVELOPMENTS IN THE SPRING PLANNING CALL

Based on the experience of the FY 76 MBO/Budget cycle, several refinements have been made to the Department's MBO/Budget system which will increase its utility to the Department's resource allocation decision making process.

1. <u>Single Submission</u> - The FY 77 Spring Planning Submission will differ in a number of significant ways from the FY 76 MBO/Budget Submission. The most obvious change is the requirement for a single submission of program and budget data organized in a Department-wide, program activity structure. Each organization will display its total resources against the relevant portions of the Department's program activity structure; Appendix B contains the Department of Justice program activity structure with an explanation of each part of the structure.

2. <u>Treatment of Objectives</u> - The treatment of objectives and their supporting cost data will also change in the FY 77 Spring Planning Call. The basic concepts embodied in the DOJ management-by-objective system, as articulated in DOJ Order 3210.1A, dated May 1, 1974, remain the same. Objectives still must be impact oriented and stated in measurable

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[1] Title VI. Sec. 605(a) of Public Law 93-344 requires a current services budget covering estimates of financing required to carry on existing programs in the budget year at the same level as the current fiscal year. The Congress has indicated that it will review data by agency, by functional program categories and major programs within functional program categories.

terms. The significant difference, however, is that the total cost of all program objectives planned for FY 77 do not have to add up to the total organization budget, nor do the objectives reported under a single program have to add up to the total costs of that program. This means that while some programs may have objectives which reflect the total or a significant percentage of the program costs, other programs may not require objective statements to be submitted to the Department.

3.   Direct and Indirect Costs - Another difference between the FY 77 Spring Planning Submission and the FY 76 MBO/Budget Submission is the treatment of direct and indirect costs. The spreading of indirect costs across all programs will no longer be required because two of the six major categories of the Department's program activity structure are designed to capture the majority of the indirect costs of Department programs. These categories are: *Department Program Direction and Organization Program Direction.*

G.   PROGRAM NARRATIVE

Each organization's submission must include a narrative explanation and justification as well as detailed financial analysis information for all FY 77 on-going programs and new program initiatives. Programs or significant activities within programs which were on-going in FY 76, but which will be terminated during FY 77, should also be noted in the program narrative along with the reasons for termination.

Narrative statements about programs should be concise, informative and factual. Organizations should avoid using generic, vague or turgid language to describe their programs.

H.   RESOURCE REQUESTS

The funds, positions, and manpower estimates contained in the FY 76 Congressional Budget, adjusted for changes including the three month transition budget period, is the base for allocating resources to FY 77 programs. See Appendix C for approved definitions of uncontrollables for use in adjusting the FY 76 base resource levels.

I.   FRAMEWORK OF OBJECTIVES

The Attorney General will be issuing a set of Department policy guidelines. These guidelines should be used as a framework for the formulation of priority program objectives for FY 77. Each organization head is also responsible for identifying objectives which high-

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light the major program initiatives for his organization. In addition, some organizations will be directed to submit specific program objectives for program areas of Department level interest.

J. FORMAT CONVENTIONS

The spring planning submission from all organizations must adhere to the following format conventions:

1. Type on only one side of the paper.

2. Beginning with the table of contents, number the pages of the submission sequentially without an alphabetic prefix. Page numbers should be centered at the bottom of the page.

3. Single space all narrative material. Type in block style.

4. Make no pen or pencil corrections in the submission.

5. Have all material reduced where necessary and printed on a 10 1/2 inch by 8 inch page.

6. Assemble without staples or clips.

7. Punch for standard three-ring binders as follows: three holes across 10 1/2 inch side of paper, 3/8 inch drill.

8. Dollar amounts shall be rounded to the nearest thousand. However, notwithstanding the rounding, all columns for all fiscal years should add to the correct totals.

PART II

INFORMATION REQUIRED TO SUPPORT PROGRAM PLANS AND BUDGET REQUESTS

A. INTRODUCTION

Each organization will be required to submit the following information to support their FY 77 program plan and budget request:

1. Organization Chart

2. Program Pyramid

3. Summary Program Narrative

4. Financial Analysis Summary

5. Detailed Program and Budget Data

6. Priority Rankings

7. Assessment of Alternative Funding Levels

8. Changes to the FY 76 Congressional Budget

9. Special Analyses

B. ORGANIZATION CHART

Each organization will be required to submit a current organization chart with its spring planning submission. The chart should reflect the organization's structure at least to the section level or its equivalent.

C. PROGRAM PYRAMID

Organizations are required to submit a FY 77 program pyramid that reflects only that portion of the Department's program activity structure applicable to them. Total obligations and total position data should be shown for each level of the program activity structure and should aggregate to each succeedingly higher level of the pyramid, i.e., totaling to the organization's full FY 77 request. A general mission statement will be required only at the top of the program pyramid.

Appendix D contains an example of the Department's program structure applied to the Immigration and Naturalization Service's (I&NS) program pyramid. Page 1 of Appendix D details the program pyramid thru the *area* level of the program activity structure. The *element* and *sub-element* levels are simply outlined below the appropriate program activity *area*. The following page expands one of the I&NS program activity *areas* by detailing the *elements* and *subelements*. The other *areas* should be detailed in the same manner.

D. SUMMARY PROGRAM NARRATIVE

A summary program narrative will be submitted as part of the FY 77 submission. This narrative offers each organization the opportunity to highlight its overall program direction and to discuss the relationships between its programs. The summary program narrative should be limited to a maximum of three single spaced pages.

E. FINANCIAL ANALYSIS SUMMARY

The Financial Analysis Summary is an analysis of changes in budget authority and total obligations from year to year and will begin with the FY 75 Budget (see Appendix E). Changes will be shown from FY 75 to the FY 76 Congressional Budget; from the FY 76 Congressional Budget to the transition budget base year, i.e., FY 76 Congressional Budget adjusted for the interim three month period of July 1 to September 30, 1976; and from the transition budget base year to the budget year. Changes will be shown under the headings listed below, with a brief explanation of each entry. Significant items should be shown separately; small items may be grouped as "other decreases" or "other increases."

Decreases will be listed under the following headings:

1. Program Decreases - Reductions in the quantity or quality of specific programs, i.e., curtailments or terminations.

2. Non-Recurring Items - Decreases in workload and non-recurring items from the previous year, including full amounts for construction, major equipment purchases, major systems development, etc.

3. Transfers Out - Activities to be financed by another organization in the succeeding year; all relevant dollars, manyears and positions should be reflected.

Increases will be displayed under the following headings:

1. <u>Uncontrollables</u> - Increased pay costs, other mandatory costs, and workload increases over which the organization has no control under existing laws and policy.

2. <u>Program Increases</u> - All discretionary program increases over which the organization exercises control.

3. <u>Transfers In</u> - Activities financed by another organization in the preceding year; all relevant dollars, man-years and positions should be reflected.

F. DETAILED PROGRAM AND BUDGET DATA

1. <u>General Program Information</u> - Detailed justification data will be required for each program. A program is defined as the lowest program activity structure level applicable for each organization. The program narrative will include program description, major outputs and clients served, program justification, legislation affecting the program, evaluation, workload and manyear data, program resource requirements and, if applicable, program objective statements.

    - *Reporting Level* - Program narratives are required to describe the lowest level of the program activity structure. The lowest program activity structure level is defined at the *subcategory* level if there is no program activity *area(s)* under the *subcategory;* it is defined at the *area* level if there are no program activity *element* levels; it is defined at the *element* level if there is no *subelement(s)*. It is defined at the *subelement* level whenever there is a *subelement* in the structure.

    - *Program Title* - This title should be taken from the Department program structure in Appendix B. The title is composed of an alpha-numeric prefix followed by the program name. Below is an example of how the title is formed when the program activity *subelement* is the lowest level.

Program Activity *Category*	VI. Organization Program Direction
Program Activity *Subcategory*	B. Administrative Services

Program Activity *Area*   2. General Support
                                              Operations

Program Activity *Element*   a. Human Resource
                                              Services

Program Activity *Subelement*   (1) Medical
                                                  Services

The correct program title is VI.B.2.a.(1) Medical
Services.

2. <u>Program Narrative</u> - The program narrative has eight parts,
i.e., the program description, major outputs and clients
served, program justification, legislation affecting the
program, evaluation, workload and manyear data, program
resource requirements and, if applicable, program objec-
tive statements.

. *Program Description* - The program description should
be concise and factual. Organizations must use simple,
straightforward language in describing program plans.
The program description should try to address the
following key issues:

a. The purpose of the program;

b. The planned FY 77 impacts on public problems
addressed by the program;

c. Program impacts to date;

d. How program plans will be achieved;

e. Program alternatives which have been considered;

f. Justification for the selection of this program
alternative;

g. The risks and uncertainties which may affect the
success of this program;

h. The amount of coordination and joint planning
with other Department organizations or other
government agencies required to assure program
success;

i.   Identification of programs or activities within the programs which are being terminated or curtailed;

j.   New program initiatives planned for FY 77.

This section of the program submission should not exceed one single spaced typewritten page for each program.

- *Major Program Outputs and Clients Served* - Organizations should list the major program outputs and clients served.

- *Program Justification* - The justification should briefly cite specific legislation, Executive Orders, Department Orders, or other policy statements and directives which support the program's continuance, initiation or termination. If none of the above support a given program, organizations should justify the program from their perception of national need or the impact the program has on solving public problems.

- *Legislation Affecting the Program* - This section should briefly address any changes to existing legislation or proposals for new legislation which would increase the probability of program success. If there is a proposal to terminate or curtail a program, specify any changes to legislation required in order to terminate or curtail the program. If the program does not require either new legislation or changes to existing legislation, organizations should state that no legislative changes are required.

- *Evaluation of On-going Programs* - Cite the most recently completed formal evaluation of the program's effectiveness and impact, i.e., the evaluation title and any other nomenclature which would aid in requesting the evaluation report. If there is formal evaluation currently in progress, describe briefly the evaluation process and the scheduled completion date. If this program has not been formally evaluated in terms of effectiveness and impact within the last three years, so state.

- *Workload and Manyear Data* - Organizations must submit workload and manyear data for each program; this data may be estimated if actual data is not available.

Workload data supporting each program, when appropriate, will be formated as indicated in Appendix F. Only major program outputs need be reported. If a program has more than one major output, actual or estimated manyears should be allocated between the outputs. Workload data for existing programs must include FY 72-77. Workload data for new programs should be estimated for FY 77-81.

3. Program Resource Requests - Resource requests are required for the FY 77 planning period and in certain cases for the five year planning period. Resource requests must be submitted at the lowest levels of the program activity structure applicable for the organization.

   • *Program Resource Requirements for Budget Planning Period* - Organizations will summarize and display total manyears, positions and funds by only those major object classes required by the program for FY 75-FY 77, including the interim three months July 1 through September 30, 1976. Appendix G contains a sample exhibit of the summary of program resource requirements for a program utilizing all the major object classes.

   In addition, organizations must provide a narrative explanation of change for both FY 76/75 and for FY 77/76. Explanations should focus on the rationale for the change and not merely on the specifics of the change. The explanation of change must, at a minimum, occur at major object class level. It would be preferable for organizations to explain resource changes by major items within the object class. The explanation must also include the identification of manyears and positions by major personnel category, i.e., agents, investigators, attorneys, clerks, etc. Uncontrollable increases should be specified. Non-recurring costs should be identified. Program cost increases should be identified as specifically as possible, e.g., purchase of new equipment by type, increased manyears by grade and program activities, printing increases, increases for supplies, vehicles, rents for buildings, equipment rentals or leases, non-governmental and governmental service contracts.

   • *Program Resource Requirements for Five Year Planning Period* - Certain program efforts which have relatively small first year start-up costs often lead to successively higher costs in the succeeding years. If any program has significant long range

cost escalation built into present decisions to proceed with the program effort, organizations should estimate such future year costs through at least the budget year plus four years, i.e., FY 77-81. Future year costs should be estimated for program efforts such as:

a.   Large scale construction projects, i.e., $1,000,000 or greater per year;

b.   Large scale modernization or rehabilitation of physical plants, i.e., $500,000 or greater per year;

c.   Research and development projects, i.e., $250,000 or greater per year;

d.   Large scale automated systems development and implementation projects, i.e., $250,000 or greater per year;

e.   Large scale network communications system improvements, i.e., $250,000 or greater per year;

f.   Large scale capital equipment purchases apart from normal replacement of obsolete capital equipment, i.e., $250,000 or greater per year;

g.   Programs which are projected to have large increases in manpower, i.e., 10 percent per year over the five year period.

4.   Program Objectives - Program objectives are specific statements of program activity that identify actual results a program manager should achieve and be accountable for during a given period of time. The program objectives are aimed at ensuring accomplishment of the program mission and aiding in the accomplishment of the organization's and the Department's overall mission. Program objectives will support the lowest level of the program activity structure just as the program objectives supported the lowest level mission element in the FY 76 submission.

•   *Treatment of Objectives* - Unlike FY 76, the resources allocated to achieving program objectives for a given program *do not* have to reflect the total resource

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