

OMB Circular A-11 (2004)
Section 30-1

May 19, 2004

BUDGET PROCEDURES MEMORANDUM NO. 870

TO: PROGRAM ASSOCIATE DIRECTORS
PROGRAM DEPUTY ASSOCIATE DIRECTORS

FROM:

SUBJECT: Planning Guidance for the FY 2006 Budget

Purpose. This memorandum provides the planning guidance your agencies will need to prepare submissions for the FY 2006 Budget. The formal transmittal of this guidance will be through OMB Circular A-11, which will not be released until July. In order to provide earlier guidance, an advance copy of the guidance as it will appear in section 30, Basic Policies and Assumptions, is provided as an attachment to this BPM.

Required Actions. RMOs are to share this guidance with their agencies.

Attachment

SECTION 307 BASIC POLICIES AND ASSUMPTIONS

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- 30.1 What should be the basis for my proposals?
- 30.2 What is the scope of the policy estimates?
- 30.3 What economic assumptions should I use when I develop estimates?
- 30.4 What assumptions should I make about growth in agency workload?
- 30.5 How do I develop unit cost information?
- 30.1 What should be the basis for my proposals?

Continuing the strategy of last year's Budget, the 2006 Budget will constrain discretionary and mandatory spending while supporting national

priorities: winning the war on terror, protecting the homeland, and strengthening the economy. We will continue our efforts to assess and improve the performance of Federal programs across the government to help ensure that taxpayer dollars are directed to programs that provide the greatest benefit. Your proposals should:

Assume accounts are funded at the 2006 level specified in the 2005 Budget database. If you propose to increase funding above that level for any account, it must be offset within your agency by proposing to decrease funding below that level in other accounts so that, in total, your request does not exceed the 2006 level assumed for the agency.

Be developed on the basis of a comprehensive results based system that integrates analysis, planning, evaluation, and budgeting. Ensure that PART findings are reflected in your budget requests, whether that be for program expansion, reform, or termination. Proposed reductions should consider PART findings that programs are duplicative, inefficient, or ineffective.

Reflect full implementation of the President's Management Agenda: strategic management of human capital, competitive sourcing, improved financial performance, expanded electronic government, and budget and performance integration. Progress in each of these initiatives should help you identify resources to reallocate to higher priority needs.

Ensure that your information technology investments create a citizen-centered electronic presence, advance the Federal e-government strategy, and support core agency functions.

Demonstrate that you are using your capital planning process to effectively manage your portfolio of capital assets to ensure that scarce resources are appropriately allocated to achieve results.

Provide information on overseas employees at embassies or consulates and describe how any increases to overseas staffing will be offset within your agency.

In developing your estimates, consider the effect that demographic, economic, or other changes can have on program levels beyond the budget year. Be prepared to discuss the impact that program levels and changes in methods of program delivery, including advances in technology, will have on program operations and administration. Also consider the appropriate roles for Federal, State, and local governments, as well as the private sector, in conducting the covered activities. Make sure your estimates are consistent with strategic and annual performance plans.