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

THE DIRECTOR

April 7, 2008

M-08-17

MEMORANDUM FOR THE HEADS OF DEPARTMENTS AND AGENCIES

FROM: Jim Nussle
Director, Office of Management and Budget

PURPOSE: Requirements for the FY 2010 Budget Process

This memorandum describes the Administration's plans for the development of budget data and other materials in support of the FY 2010 budget process in order to ensure a smooth and effective transition process.

The FY 2010 Budget will be submitted by the next President. In order to lay the groundwork for the incoming Administration, we intend to prepare a budget database that includes a complete current services baseline [1] and to gather information necessary to develop current services program estimates for FY 2010 from which the incoming Administration can develop its budget proposals.

Budget Submissions

You are not required to submit a formal budget request in September, and there will be no formal Director's Review or Passback processes this Fall. Most of the policy materials you usually submit in September in support of your budget requests will not be required until after the new Administration or Transition Team is in place, although as noted above you may be asked to provide information on select topics in the Fall. Many non-policy materials will be required, however, as discussed below.

The schedule at the end of this memo details the requirements to construct a complete baseline budget database by account for FYs 2010 through 2019, as well as actual data for the prior year (PY) and estimates for the current year (CY), by the middle of December. You will be asked to complete the technical review of PY and CY data, including identification of anomalies, and to develop budget year and out-year baseline estimates.

In addition, you should work with your OMB contacts to identify information needed to develop program-level current services estimates to inform the incoming Administration. Such information might include identification of recurring and non-recurring costs in FYs 2009 and 2010, FTE levels, program utilization estimates for FY 2010, etc., and would be due to OMB in September.

[1] As will be discussed further in the July release of Circular A-11, the current services baseline in this context refers to a baseline developed under Budget Act procedures. Additional information will be collected so that alternative baseline formulations can also be developed.

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During this time, you should proceed with your internal review procedures to prepare information to quickly produce the next Administration's budget, and you should work with your OMB representatives to identify key programmatic and budget issues requiring decisions from policymakers in the incoming Administration.

Performance Plans

You should submit the FY 2010 performance plan components of your budget materials in September to OMB. Integrating performance information in the budget process remains a priority. The performance goals in these plans should be consistent with those set through your strategic planning, performance planning, and Program Assessment Rating Tool process and updated to reflect final congressional action on FY 2009 appropriations, if complete. Of course, program goals may need to be updated to reflect new Administration's policies and will be published as part of your FY 2010 congressional budget justifications.

Additional Guidance

OMB Circular A-11 provides guidance on the preparation and submission of budget estimates and the timing and scope of relevant economic assumptions. Most of the changes to accommodate the transition relate to timing and not specific requirements associated with the FY 2010 Transition. OMB plans to issue the revised Circular in early July.

We expect to send you another memorandum after the transition has begun that will provide guidance on policy development for FY 2010. That memorandum will describe the process and timing for submitting agency requests, information required for analytical purposes, and other materials that will be used to prepare the incoming Administration's budget.

FY 2010 Transition Data: Tentative Production Schedule

OMB Circular A-11 issued	Early July
Agencies submit budget information and performance plans to OMB, based on current services estimates	September
MAX and FACTS II revision opened	November 5
MAX PY and FACTS II closed for agencies	November 19
MAX baseline closed for agencies	December 10