UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
CHIEF FINANCIAL OFFICER

FEB 12 2010

MEMORANDUM FOR: Assistant Administrators
Deputy Assistant Administrators
Program Analysis & Evaluation Office
Goal Team Leads
Chief Financial Officers
Management and Budget Chiefs
Program Managers

FROM: Maureen E. Wylie
Chief Financial Officer

SUBJECT: Fiscal Year (FY) 2012 Budget Guidance Memorandum for Budget Formulation Process for the Secretarial Submission – Serial 1

1. Purpose: The purpose of this Budget Guidance Memorandum is to provide overarching guidance and preliminary schedule information for the FY 2012 Secretarial Budget Formulation phase of the Planning Programming Budgeting and Execution System (PPBES).

2. Introduction: NOAA conducts the budget process to determine final resource requirements to meet FY 2012 Program intent and policy guidance provided in the FY 2011 President's Budget development. The NOAA Budget Office will further develop and justify the requirements for FY 2012, determine the impact of revised resource levels and the ability of programs to deliver desired results at the approved funding level, and capture information unavailable during the programming phase.

The NOAA Budget Office will examine the financial requirements of the program plans as cited in the Program Decision Memorandum (PDM) and provide budgetary recommendations, including possible adjustments to the programming decisions. The NOAA Budget Office will then work with the Line Office Chief Financial Officers and Staff Offices, in coordination with the Goal Team Leads, to formulate and produce the NOAA budget submissions.

3. Discussion: The budgeting phase for the Secretarial submission will consist of five distinct activities:

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Budget Phase 1 – Preparation of Line Office Budgets. The FY 2012 submission will be built from the 2011President's Budget submission. Line Offices will submit a list of the all program changes being developed with a one sentence characterization of each initiative to the NOAA Budget Office along with an exceptions list for each of the following:

a. OMB changes,
b. Funding changed in FY 2011 budget but not included in FY 2012 End-to-End Resource Management System (E2E),
c. Legislative changes,
d. Emerging requirements or
e. Technical corrections.

Line Offices will provide guidance to and work closely with and the Goal Teams/Program Managers in preparing "Program Change Summary" two-pagers to develop a strong justification and ensure the description is consistent with the PDM decision. Every program change summary must include an assessment of the Line and Staff Offices base budgets and make every effort to accomplish theses proposed new activities within their base resources. Program Change narratives should include required statutory or regulatory changes that could allow programs to achieve efficiencies or improve results.Attachment 2 provides a listing of required documents for the FY 2012 submission.

Budget Phase 2 – Analyze the FY 2012 NOAA Program. Upon receipt of the draft two page program changes from the Line Offices, the NOAA Budget Office will analyze the viability, executibility and consistency of the proposed increases and decreases. The NOAA Budget Office will work with PA&E, the Line Offices and Goal and Program staffs to update the FY 2012 program by incorporating those changes which occurred between the OMB submission and the FY 2011 President's Budget. Additional analysis will focus on areas outlined in the PDM for further work during the budget process. Line Offices with outstanding PDM tasks should coordinate with the affected Goal Team Lead(s) and Program Manager(s) to submit required justifications, offsets and impacts.

Concurrently with Phase 1 and Phase 2, NOAA Budget will coordinate with PA&E and the NOAA Research Council to evaluate the research and development component in the FY 2012 Program in support of a broadly based initiative to strengthen science at NOAA. The Research Council will identify any gaps and recommend targeted investment focus areas. Additional guidance will be provided by the NOAA Budget Office to the Line Offices based on this analysis and additional budget requests may be solicited to meet the gaps identified by the Research Council.

Budget Phase 3 – Analyze the FY 2012 Line Office Budget Submissions. The NOAA Budget Office will review the adequacy of the materials and collaborate with the Line Offices on revisions. Line Offices may be asked to provide additional information to aid in analysis. The NOAA Budget Office will conduct formal budget reviews with each Line Office. For NOAA Information Technology (IT) projects and initiatives, the NOAA Review Board (NITRB) will conduct reviews on FY 2012 IT increases. All current exhibit 300s must be updated to reflect current status, approved baseline changes, and any other new information. DOC OB and CIO rely upon updated exhibit 300s for a wide variety of management needs, and use them

extensively in review of base programs not seeking increases. Further, no new IT initiatives will be considered without complete exhibit 300s and NITRB review. No capital investments will be submitted to DOC without a completed Exhibit 300. All draft Exhibit 300s, IT and non-IT, are required to be entered into eCPIC in order to be considered as part of the overall budget review.

Budget Phase 4 – Budget Recommendations and Final Decisions. Based on their analysis of the PDM and the line office submissions, the NOAA Budget Office will develop FY 2012 budgetary recommendations. The Undersecretary will make final decisions for the FY 2012 Secretarial Submission. Those decisions will be documented in a Budget Decision Memorandum as appropriate.

Budget Phase 5 – Budget Production. The NOAA Budget Office, working with Line Offices, will produce the FY 2012 Secretarial Budget. NOAA Budget Office will provide an updated control table after final decisions are made. The Line Offices will need to update their program changes and other exhibits based on the final decisions to meet DOC submission requirements.

If you have any questions regarding the process, please contact Jennifer Werner, NOAA Budget Formulation Chief on (202) 482-4482. An updated FY 2012 Secretarial Budget Submission schedule can be found at Attachment 1. Technical questions may be directed to the appropriate NOAA Budget Formulation Analyst (see Attachment 3).

Attachments

Attachment 1

FY 2012 Secretarial Submission Schedule

Date 2010	Event
February 12	Budget Guidance Serial 1 issued
February 22	Budget Guidance Serial 2 (Departmental priorities) issued
March 3	Budget Guidance Serial 3 (NOAA Science Priorities) issued
March 5	Line Offices provide prioritized budget change/exception list and Program Change summary (two pagers) to NBO
March 10	Line Offices provide NBO Unique Adjustments-to-Base (ATBs) Documentation
March 12	Line Offices provide response to Budget Guidance Serial 3
March 16 - 19	Line Office Briefings to the Budget Director
March 26	CFO finalizes FY 2012 funding decisions
May 5	Final DOC Submission materials due to NBO; Final Exhibit 300s entered into eCPIC
May 17	NOAA FY 2012 Secretarial Budget due to DOC

Fiscal Year (FY) 2012 Secretarial Submission
Documents Required

1. FY 2012 Program Change/Exception List

2. FY 2012 Program Change Narrative Summary

3. Exhibits:

   a. Exhibit 14, Program Change Personnel Detail, for any change in positions or FTE.

   b. Exhibit 15 Four-Digit Object Class information is required for each program change.

   c. Exhibit 300, Capital Asset Plan and Business Case, is required for all capital assets: land, structures, equipment, intellectual property (software) and information technology. All existing 300s must be updated, and new 300s must be prepared for all new IT and non-IT investments, and entered into the eCPIC system no later than date shown on Attachment 1. Both existing and new 300s must have the approval of the NITRB before being entered into eCPIC. Otherwise they will not be considered as part of the FY 2012 Budget Submission to the Department. Materials should be in final form and cleared by all appropriate officials prior to submission into eCPIC.

   e. Unique Adjustments-to-Base (ATBs) should be submitted consistent with the instructions provided in the Manual for Unique ATBs.

4. Performance Measure Updates, if applicable. Any changes to existing performance measures, or the addition of new measures, must be coordinated with PA&E and the appropriate Goal Team, and approved by the respective Assistant Administrator, PPI and the NOAA Budget Office.

Staff	Line Office	Goal Team	Phone
Emily Larkin	OAR, NWS	Climate, Weather & Water	(202) 482-4113
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Janelle Smith	NOS	Commerce & Transportation	(202) 482-3036
Jennifer Werner	OMAO, Program Support	Mission Support	(202) 482-4482