

Budget Terms and Definitions

Activity Based Costing (ABC) – a cost management system that attempts to determine the “true” cost for a cost object (product, cost, customer, or service). There are five basic steps involved in ABC: (1) identify activities; (2) determine the cost for each activity; (3) determine cost “drivers”; (4) collect activity data; and (5) calculate product cost.

Annual Performance Plan (APP) - a report included with BLM’s Budget Justifications summarizing actual and proposed accomplishments for Strategic Plan goals and subactivity-related Program Elements, for the prior year (FY-1), the current year (FY), and the upcoming year (FY+1).

Annual Work Plan (AWP) – an allocation of current year funding and performance and/or adjustment to a Planning Target based on final Congressional appropriations. This allocation to the BLM Washington, State, and Center Offices will be made by the Headquarters Budget Office in consultation with the BLM Budget Strategy Team. Then, States allocate the AWP to the appropriate District and/or Field Offices in the same categories, base, one time add-ons, and flexible funds.

Appropriation Act – legislation under the jurisdiction of the House and Senate Committees on Appropriations that provides budget authority for Federal programs or agencies. Generally, there are 13 regular appropriation acts considered annually to fund the operations of the Federal government.

Appropriations – an act of Congress that permits Federal agencies to incur obligations and to make payments out of the Treasury for specified purposes. An appropriation act usually follows enactment of authorizing legislation, and is the most common means of providing budget authority. Limitations imposed in appropriations constitute separate legal limitations and will be reflected on allotments.

Authorization – the basic substantive legislation enacted by Congress which sets up or continues the legal operation of a Federal program or agency either indefinitely or for a specific period of time or sanctions a particular type of obligation or expenditure within a program.

Base Funds – last year’s allocation, plus uncontrollable costs, minus one time add-ons. Each organization is allocated a base funding level annually. Performance expectations and issues are addressed in the allocation of Base Funds. This term is also defined as the amount of funding that Congress has provided to federal programs and agencies in the past without any add-ons.

Budget Authority – authority provided by law to incur financial obligations that will result in immediate or future outlays of Federal government funds. Budget authority may be provided in an appropriation act or authorization act and may take the form of borrowing authority, contract authority, or authority to obligate and expend offsetting collections or receipts. Budget authority may be classified by the period of availability

(one-year, multiple-year, no-year), by the timing of Congressional action (current or permanent), by the manner of determining the amount (definite or indefinite), or by its availability for new obligations.

Budget Estimate – the presentation of the Bureau’s requested funding level for the program year (FY+2) based on management decisions made by the BLM Directorate. This budget figure is subsequently presented to and reviewed by the Department of the Interior and the Office of Management and Budget (OMB), which then establishes a cost target for the Bureau. The final presentation of the Bureau’s budget estimates are incorporated in the Congressional (President’s) Budget Submission, which Congress uses and evaluates to enact an appropriations.

Budget Planning System (BPS) – is a module or data base of the Management Information System (MIS). It contains the detailed information and data to support development of the BLM’s budget strategy. BPS is continually updated with data from all levels of the organization. The module integrates performance data with the BLM strategic goals, and geographic and program needs to allow the creation of the Budget Justifications, priority setting, and budget allocation. BPS includes specific, prioritized information to support BLM’s budget strategy, such as project-specific opportunities, partnership opportunities, funding requirements, resource benefits, performance enhancements, etc.

Budget Cycle – a multi-year process that entails dozens of sub-processes, countless rules and procedures, the effort of thousands of staff persons in the executive and legislative branches and the participation of the President and the Congress. The major phases of the Federal budget cycle include: (1) Budget formulation; (2) Presentation and justification; and (3) Budget execution. The Federal budget cycle begins approximately 24 months prior to the fiscal year in which the funds will be needed.

Budget Formulation – the phase of the budget cycle that creates the budget to be forwarded to Congress.

Budget Justifications – the document prepared for the various Congressional appropriations committees and subcommittees that presents the President’s proposed budget for the upcoming fiscal year. See also **Congressional (President’s) Budget Submission**

Budget Resolution or Concurrent Budget Resolution – a concurrent resolution, adopted by the House and Senate that sets forth a Congressional budget plan (i.e., sets total levels of spending and revenues as well as broad spending priorities). As a concurrent resolution, it is approved by the House and Senate but is not signed by the President, does not have the force of law, and provides no taxing or spending authority. Rather, it is a blueprint to guide Congressional action on subsequent, spending and revenue legislation within the jurisdiction of other committees.

Budget Strategy Team (BST) – the BLM team, including representatives from Headquarters, State, and Field Offices, that has responsibility for guiding and coordinating the BLM’s budget process from start to finish. The BST includes the Bureau Budget Officer (BST Advisor); AD, Planning and Renewable Resources; AD, Lands, Realty and Resource Protection; AD, Communications; Bureau Strategic Planner (BST Advisor); a State Director; an Associate State Director; a Field Manager; a State Budget Chief; AD, Human Resource Management; AD, Business and Fiscal Resources; AD, Information Resources Management (*ex officio*).

The BST meets at least twice a year to: (1) review recommendations from Bureau-wide and other strategy-setting meetings; (2) develop strategic budget plans that span 3 to 5 years; (3) approve an outline of the Strategic Budget Plan (to DOI); (4) set and revise the IT cap (projects are selected by the ITIB); (5) set and revise the Centrally Funded Initiatives cap; (6) develop and help implement a Budget Strategy Communication Plan; (7) revisit prior year lessons learned and revise outyear budget strategy accordingly; and (8) provide guidance to the Field Committee regarding overall funding levels that should be allocated in the PTA, and other guidance on the PTA.

Centrally Funded Issues (CFI) – planned or anticipated issues of sufficient importance at an organizational level to warrant priority funding attention. Centrally funded issues will be addressed and included in the Planning Target Allocations. Information and proposals for issues that may warrant being funded centrally will be gathered and provided to the Budget Strategy Team and budget decision-makers at other levels of the organization for unforeseen consequences.

Congressional Budget and Impoundment Control Act of 1974 – established the process for Congressional review and action on the Federal budget. This act defines the responsibilities and procedures associated with budget review and establishes timetables for Congressional action. The law requires that, by the first Monday in February, the President submit to Congress his/her Federal budget for the next fiscal year. This gives Congress eight to nine months to act on the budget.

Congressional Budget Office (CBO) – the entity created by the Congressional Budget and Impoundment Control Act of 1974 as an agency of Congress. CBO’s chief responsibility under the Budget Act is to help the budget committees with the matters under their jurisdiction, principally the Congressional budget resolution and its enforcement. To assist the budget committees in developing the concurrent budget resolution, CBO prepares reports that provide budget and economic projections, an analysis of the President’s budgetary proposals, and alternative spending and revenue options for lawmakers to consider. The CBO Director is typically asked to testify about the outlook for the budget and the economy as well as related issues.

Congressional (President’s) Budget Submission - the final phase of the budget formulation process, which typically runs from January through February. There are two distinct stages within the presentation and justification to Congress phase of the budget cycle: (1) Congressional budget and (2) authorizations and appropriations. The

President's budget is his own for the next year. But it is just a proposal. After receiving it, Congress has its own budget process to follow. Only after the Congress passes, and the President signs, the required spending bills has the Government created its actual budget.

Continuing Resolution – also known as a “CR,” continues funding for a program if the fiscal year ends without a new appropriation in place. A “CR” provides temporary funding at current levels or less.

Deferral – see **Impoundment**

Examiner (OMB Examiner) – OMB staff members who review and analyze Federal department and agency budget requests (during September) and hold hearings with senior department and agency managers and executives (during October).

Executive Leadership Team (ELT) – BLM's senior leadership consisting of the BLM Director and all of the Assistant and State Directors. The ELT approves significant changes to BLM's budget strategy and communications plan.

Field Committee - a BLM senior leadership group composed of all of the Associate State Directors and the Deputy Assistant Directors. The Budget Sub-Group of the Field Committee meets several times a year to: (1) help prepare Planning Target Allocation (PTA) guidance; (2) recommend projects for central funding to the BLM Director; (3) review the PTA for consistency with Bureau policy and budget strategy; (4) recommend release of the PTA to the Director; and (5) recommend release if the Annual Work Plan to the Director.

Financial Business and Management System (FBMS) – the system that the Department of the Interior is implementing to standardize business practices. FBMS will use software to integrate into a single system a variety of business functions, including travel, acquisition, budget, and property.

General Accountability Office (GAO) – the general auditing arm of Congress.

Government Performance and Results Act of 1993 (Public Law 103-62) (GPRA) – the law that requires federal agencies to create a framework and develop the information that will lead to more effective planning, budgeting, program evaluation, and fiscal accountability for federal programs. The law's intent is to hold agencies accountable for achieving program results and to improve budget formulation and Congressional decision making. In furtherance of those objectives, agencies must submit plans that clearly state performance goals and indicators for each program, as well as prepare reports the program's actual performance.

Impoundment – an action by the President or a Federal agency that delays or withholds the obligation of expenditure of budget authority provided by law. There are two types of impoundment action: (1) a **deferral** which is a proposal to postpone the spending of

Congressionally appropriated budget authority; and (2) a **rescission** which is a presidential proposal to cancel budget authority previously provided by Congress in an appropriations act.

Management Information System (MIS) – the system that BLM uses to report and collect cost management data. It helps BLM meet Congressional and public demands for program accountability and cost reductions. This system: (1) employs a group of integrated decision support systems that provide current, relevant information upon which decisions can be based and that enhance the quality of BLM decisions; (2) improves program operations and mission accomplishments by focusing on results; and (3) provides a basis for demonstrating to Congress and the American people that BLM has effectively used taxpayer's dollars. This system is intended to help BLM better achieve its mission priorities with limited resources and enhance BLM's ability to compete for budgetary resources.

Obligations - amounts of orders placed, contracts awarded, services received, and similar transactions during a given period that will require payments during the same or a future period. Such amounts include outlays for which obligations have not been previously recorded and reflect adjustments for differences between obligations previously recorded and actual outlays to liquidate those obligations. All obligations must be supported by written documentation or law.

Office of Management and Budget (OMB) – the White House agency that assists the President in overseeing the preparation of the federal budget and supervises its administration in Executive Branch agencies. In helping to formulate the President's spending plans, OMB evaluates the effectiveness of agency programs, policies, and procedures, assesses competing funding demands among agencies, and sets funding priorities. OMB ensures that agency reports, rules, testimony, and proposed legislation are consistent with the President's Budget and with Administration policies. In addition, OMB oversees and coordinates the Administration's procurement, financial management, information, and regulatory policies. In each of these areas, OMB's role is to help improve administrative management, to develop better performance measures and coordinating mechanisms, and to reduce any unnecessary burdens on the public.

Omnibus Bill - This term is applied in Congress to a bill embracing numerous distinct objects or appropriation acts, as in the bill "making appropriations for sundry civil expenses of the government."

One Time Add-Ons – a one-year allocation to an organization for projects that will end in a specified time. These funds may be directed from within the BLM or outside of the BLM.

Opportunity Book – supplements the BLM's Congressional Budget Justifications, and contains a list of additional needs that reflect the BLM's budget strategy. Needs are typically displayed by geographical area, subactivity, and increases to performance.

Outlays – the amount of funds disbursed, net of refunds and reimbursements. Total budget outlays consist of the sum of the outlays from appropriations and funds included in the unified budget, less offsetting receipts. The outlays of off-budget Federal entities are excluded from the unified budget under provisions of law, even though these outlays are part of total Federal government spending. Federal outlays are recorded on the cash basis of accounting, with the exception of most interest on the public debt, for which the accrual basis of accounting is used.

“Passed-back” (Passback) – the Office of Management and Budget’s formal response to the Federal departments and agencies on their budget submissions. The Office of Management and Budget will increase, decrease, and/or maintain budget totals. Usually, by Thanksgiving, initial decisions by OMB are made and “passed-back” to Federal departments and agencies.

PAYGO – The PAYGO or pay-as-you-go rule compels new spending or tax changes to not add to the deficit. New proposals must either be “budget neutral” or offset with savings derived from existing funds.

Planning Target Allocation (PTA) – Base Funds, plus One Time Congressional Add-On Funds, plus Flexible Funds, plus performance direction and priorities. The PTA is based on the BLM funding and performance levels that are included in the Congressional (President’s) Budget Justifications for the following year. The Planning Target is allocated as soon as policy decisions concerning the Congressional (President’s) Budget Justifications are available.

Program Element (PE) – a specific activity or product for which BLM captures cost data (i.e., determines cost “drivers”; collects activity data; calculates the cost of delivering that activity or product). For subactivity 1050, there are seven “priority” program elements, specifically, AJ, BC, BW, FB, FD, HF, and MY.

Rescission – see **Impoundment**

Uncontrollable Costs – non-program costs that are requested in the Congressional Budget Justifications. These include pay increases, General Services Administration space rental costs, retirement system costs, health plan costs, injured employee and unemployment compensation costs, and specified DOI costs and assessments. All organizations receive an appropriate share of a portion of these uncontrollable costs based on standard formulas and where the costs are borne.

Unobligated Balances – The portion of budget authority that has not yet been obligated. When budget authority is provided for one fiscal year, any unobligated balances at the end of that year expire and are no longer available for obligation. When budget authority is provided for a specific number of years, any unobligated balances are carried forward and are available for obligation during the years specified.

“Walkdown-walkup” – a table produced at any stage of budget development showing the amount various programs might be reduced to absorb a lower level of funding (the “walkdown” portion of the table), and, conversely, the amount programs might be increased if additional funding were available (the “walkup” portion of the table). The walkdown/walkup is developed in relation to a target set by OMB or the Department, and might look as follows:

Current-Year Funding		\$10,000,000
Minus “your program”	-\$1,000,000	
OMB Target		\$9,000,000
Plus “my program”	+\$500,000	
Over-Target Level		\$9,500,000

Zero-based budgeting – an allocation to an organization or office where that entity has to request and justify every dollar they get each fiscal year. Compared to the “Base-Flex” approach, each office is not assured off receiving their “Base” dollars each year without an annual justification.