

**For:** State Offices

**FY 2005 Revised Non-Federal County Office Allotments**

**Approved by:** Deputy Administrator, Management



**1 Overview**

**A Background**

On December 8, 2004, the President signed the Consolidated Appropriations Act, 2005, Resolution, 2005, P.L. 108-447, which provided FSA with full year appropriations. FSA's appropriation is approximately \$24.9 million below the President's budget request and additionally FSA is required to absorb a higher pay cost level than was requested in the budget creating a total shortfall of \$42.1 million.

Total fund availability and final staff year ceilings for FY 2005 will be further assessed through analysis of FY 2004 expenditures and staff year usage, actual FY 2004 County Office workload, and FY 2005 operational costs.

This revised allotment is being issued for 101 workdays through Pay Period 3 of FY 2005 (October 1, 2004, through February 19, 2005). County Offices will receive full-year funding after this period.

**B Purpose**

This notice:

- includes all previous allotments issued in prior continuing resolutions
- issues revised allotments for FY 2005 County Office administrative expenses, non-Federal payroll and non-payroll operating expenses, through February 19, 2005
- obsoletes Notice BU-677.

<b>Disposal Date</b>	<b>Distribution</b>
October 1, 2005	State Offices

## Notice BU-678

### 1 Overview (Continued)

#### C Contact

For questions about:

- personnel and travel allotments, contact Robert Flores at 202-720-9068
- other operating expense allotments, contact Elizabeth Hill at 202-720-9862.

### 2 Personnel and Travel Allotments

#### A FY 2005 Guidelines and Levels

The FY 2005 non-Federal County Office personnel allotment for States in Exhibit 1 is based on the following:

- for States with FY 2004 permanent ceiling levels above their FY 2003 level, the greater of their current onboard employment or their FY 2003 ceiling
- for States with FY 2004 permanent ceiling levels below their FY 2003 level, the greater of their current onboard employment or their FY 2004 ceiling
- DAFO-approved FY 2005 other staff year ceilings for temporary employees and COC employees provided in the FY 2005 Temporary Staff Ceiling and Additional Guidance memorandum from DAFO to SED's issued October 1, 2004, or as later revised by DAFO

**Note:** SED's shall manage temporary employees and overtime for all employees within the temporary payroll allotment provided.

- an estimate for County Office employee travel
- an estimate for within grades and promotions, and the average pay cost increase of 3.5 percent beginning in January 2005

Personnel allotments include funding for expenses paid through NFC.

Payroll is not allotted to County Offices. County Offices shall refer to BRIO Report DW1701CT to monitor payroll expenses and compare it to the total available payroll allotment.

## Notice BU-678

### 2 Personnel and Travel Allotments (Continued)

#### B Personnel Allotment

Personnel allotments are calculated as follows:

- salaries and benefits for all non-Federal CO employees and COC's are based on the average staff year cost for permanent, temporary, and COC/MS employees in FY 2005 for each individual State
- any other personnel costs that would be included on an employee's W-2.

Lump sum leave expenses for temporary employees will be handled on a case-by-case basis. States should request lump sum funds through DAFO, as needed. No lump sum allotment has been provided at this time.

#### C Travel

Travel allotments in this notice cover only routine travel generally associated with activities within State boundaries such as county travel (trips to the post office, compliance and field visit activity, etc.) and SED-directed travel such as District meetings. This travel allotment also includes COC travel paid through the T&A process. For purposes of these initial allotments, BUD is assuming 60 percent of the travel funds are associated with local travel. The remaining 40 percent is being held for Nationally-directed travel. Nationally-directed travel is defined as travel that is directed by the National Office, related to a National training event, or other national issue priority directed by the National Office. As these events occur, discussions will be held with the program areas to determine the amount of training required and the required travel allotments will be issued at that time. A survey is currently being developed which will allow States to provide travel cost information to BUD.

**Note:** States are requested to review usual methods of management meetings, training delivery, and other processes that impact on costs in terms of both funding and time.

Further evaluation of nationally directed travel will be completed before issuing full-year allotments.

Relocation expenses will be handled on a case-by-case basis. States should request relocation funds through DAFO, as needed. No relocation allotment has been provided at this time.

BUD will closely monitor travel usage by State at the National Office level. A BRIO travel report was developed by BUD to aid the State Offices in monitoring travel expenditures. All State Offices shall review this report to determine if there are any erroneous obligations against the travel authorization.

To ensure that final C-Type vouchers do not continue to show excessive obligations against travel authorizations, State Offices will ensure that County Offices enter a "Y" in the "Final Voucher Indicator" (Block 54) on travel vouchers. Unused travel obligations will expire if the Final Voucher Indicator code is used on the processed voucher.

## Notice BU-678

### 2 Personnel and Travel Allotments (Continued)

#### D Awards

No awards allotment will be issued at this time. An awards allotment may be issued at a later date, but FSA must first assess the full impact of the constrained budget and FSA's ability to operate within it.

**Note:** Time-off awards are available and should be considered instead of monetary rewards.

Nationally directed travel is defined as travel that is directed by the National Office, related to a national training event or other national issue/priority directed by the National Office. As these events occur, discussions will be held with the program areas to determine the amount of training required and the required travel allotments will be issued at that time.

### 3 Other Operating Expense Allotments

#### A FY 2005 Guidelines and Levels

Other operating expense allotments include available funding for expenses paid through the County Office Expense system.

Personnel costs are non-discretionary and must be covered. Discretionary operating expenses will be impacted most by the constrained budget. Although State Offices will continue to be afforded maximum flexibility to manage operators expense funds to meet the needs of the Agency, they are encouraged to operate within the various operating expense levels as much as possible to ensure equitable treatment from State to State.

State Offices shall estimate and issue operating expense allotments to County Offices. County Offices shall enter the other operating expense allotment in the automated CCC-514 ledger, County Office Expense system. BUD strongly suggests that State Offices refer to BRIO Report D1702CT to monitor and control other operating expenses by comparing expenses to the total available other operating expense allotment amount.

#### B Rent and Utilities

The national average inflation increase for rent is approximately 5 percent. Funds will be distributed between States based on their specific inflation rates for the entire FY, not to exceed the national allotment level. Rent and utilities funding included in this notice is expected to cover the rent required to be paid from October 1, 2004, through January 30, 2005

#### C Postage

Annual allotments will be issued showing an approximate 5 percent reduction from FY 2004 spending levels. Initial allotments cover 101 workdays.

## Notice BU-678

### 3 Other Operating Expense Allotments (Continued)

#### D Supplies and Materials

Allotments will be issued using \$750 per permanent full-time staff year. This allotment reflects a 36 percent reduction from FY 2004 spending levels. This will be based on the budget ceiling of 9,284 staff years and will not include the “excess” employees. Initial allotments will be based on the FY 2004 ceiling but will be adjusted accordingly when final allotments are issued using the FY 2005 ceiling distribution.

It is recognized that Type 1 offices generally purchase supplies for the GS employees with CO funds. This distribution will be re-examined to address the GS employees after DAFO issues the 2005 ceilings and before final allotments are issued.

#### E Equipment and Furniture

Allotments will be issued using \$328 per permanent full-time staff year. This allotment reflects a 54 percent reduction from FY 2004 spending levels. This will be based on the budget ceiling of 9,284 staff years and will not include the “excess” employees. Initial allotments will be based on the FY 2004 ceiling but will be adjusted accordingly when final allotments are issued using the FY 2005 ceiling distribution.

**Notice BU-678**

**4 Action**

**A State Office Action**

State Offices shall follow this table.

<b>Step</b>	<b>Action</b>
1	Determine and issue initial nonpayroll allotments in Exhibit 1 to County Offices to pay administrative operating expenses for FY 2005.
2	Hold a reasonable reserve at the State Office to cover non-Federal expenditures made for County Offices.
3	Use the proper transaction code on all State Office checks written for County Office administrative expenses.
4	Advise County Offices, by a single State Office notice: <ul style="list-style-type: none"> <li>• to adjust FY 2005 CCC-514, by recording the additional nonpayroll allotment using Menu NAA000, option 6, "Check Limitation and Ledger Control"</li> <li>• that all FY 2005 administrative payments issued to date, before receiving this additional allotment, are to be applied to the total allotment.</li> </ul>
5	Monitor <b>all</b> payroll and nonpayroll expenses within their respective allotment totals and ensure that neither fund exceeds the respective County Office allotment.
6	Remind County Offices to use the proper transaction code on checks issued for <b>all</b> operating expenses according to 115-FI.  <b>Note:</b> Correct coding on checks, as opposed to the general use of "OE", can be a major factor in determining the proper allotment for each State in the current and succeeding years.
7	FAX additional nonpayroll allotments issued to County Offices on FSA-510 to: <ul style="list-style-type: none"> <li>• Vicki Stroer, KCFO, at 816-823-1343</li> <li>• Robert Flores, BUD, at 202-690-0591.</li> </ul>
8	Advise BUD, in writing, of any needed adjustments to the total County Office allotment and provide justification for requests to increase the allotment amount.

Initial FY 2005 Non-Federal County Office Allotments

FY 2005 Initial County Office Allotments				
STATE	Payroll Allotment	Travel Guideline /1	Non Payroll Allotment	Total Allotment 3/
ILLINOIS	\$ 12,569,000	\$ 77,000	\$ 2,443,000	\$ 15,012,000
INDIANA	8,110,000	92,000	1,654,000	9,764,000
IOWA	14,245,000	118,000	2,725,000	16,970,000
MICHIGAN	5,200,000	70,000	1,325,000	6,525,000
MINNESOTA	10,088,000	145,000	1,763,000	11,851,000
MISSOURI /2	12,198,000	139,000	-	12,198,000
OHIO	7,885,000	111,000	1,344,000	9,229,000
WISCONSIN	7,404,000	90,000	1,401,000	8,805,000
<b>MIDWEST</b>	<b>\$ 77,699,000</b>	<b>\$ 842,000</b>	<b>\$ 12,655,000</b>	<b>\$ 90,354,000</b>
CONNECTICUT	\$ 403,000	\$ 4,000	\$ 105,000	\$ 508,000
DELAWARE	310,000	2,000	65,000	375,000
MAINE	888,000	13,000	375,000	1,263,000
MARYLAND	1,467,000	19,000	277,000	1,744,000
MASSACHUSETTS	599,000	22,000	111,000	710,000
NEW HAMPSHIRE	358,000	5,000	149,000	507,000
NEW JERSEY /2	851,000	9,000	-	851,000
NEW YORK	3,571,000	66,000	1,115,000	4,686,000
PENNSYLVANIA	4,082,000	57,000	939,000	5,021,000
RHODE ISLAND	117,000	3,000	5,000	122,000
VERMONT	676,000	8,000	184,000	860,000
WEST VIRGINIA	1,911,000	53,000	547,000	2,458,000
<b>NORTHEAST</b>	<b>\$ 15,233,000</b>	<b>\$ 261,000</b>	<b>\$ 3,872,000</b>	<b>\$ 19,105,000</b>
ALASKA	\$ 387,000	\$ 34,000	\$ 40,000	\$ 427,000
IDAHO	2,703,000	66,000	651,000	3,354,000
MONTANA	5,180,000	109,000	809,000	5,989,000
NEBRASKA	10,196,000	107,000	1,520,000	11,716,000
NORTH DAKOTA	7,325,000	131,000	1,280,000	8,605,000
OREGON	2,149,000	27,000	577,000	2,726,000
SOUTH DAKOTA	7,873,000	131,000	1,223,000	9,096,000
WASHINGTON	2,184,000	25,000	584,000	2,768,000
WYOMING /2	1,608,000	30,000	-	1,608,000
<b>NORTHWEST</b>	<b>\$ 39,605,000</b>	<b>\$ 660,000</b>	<b>\$ 6,684,000</b>	<b>\$ 46,289,000</b>
ALABAMA	\$ 4,759,000	\$ 172,000	\$ 975,000	\$ 5,734,000
ARKANSAS	5,581,000	67,000	667,000	6,248,000
FLORIDA	2,577,000	47,000	505,000	3,082,000
GEORGIA	7,677,000	92,000	948,000	8,625,000
KENTUCKY /2	9,855,000	95,000	-	9,855,000
LOUISIANA	3,958,000	37,000	832,000	4,790,000
MISSISSIPPI	5,987,000	48,000	1,616,000	7,603,000
NORTH CAROLINA	8,303,000	113,000	1,178,000	9,481,000
PUERTO RICO	194,000	14,000	1,000	195,000
SOUTH CAROLINA	3,411,000	46,000	578,000	3,989,000
TENNESSEE	7,153,000	65,000	1,418,000	8,571,000
VIRGINIA /2	5,647,000	55,000	-	5,647,000
VIRGIN ISLANDS	25,000	2,000	1,000	26,000
<b>SOUTHEAST</b>	<b>\$ 65,127,000</b>	<b>\$ 853,000</b>	<b>\$ 8,719,000</b>	<b>\$ 73,846,000</b>
ARIZONA	\$ 981,000	\$ 34,000	\$ 271,000	\$ 1,252,000
CALIFORNIA	3,325,000	57,000	888,000	4,213,000
COLORADO	3,389,000	52,000	638,000	4,027,000
HAWAII	412,000	23,000	17,000	429,000
KANSAS /2	13,314,000	127,000	-	13,314,000
NEVADA	442,000	20,000	92,000	534,000
NEW MEXICO	1,595,000	36,000	249,000	1,844,000
OKLAHOMA	6,297,000	81,000	1,214,000	7,511,000
TEXAS	16,769,000	346,000	4,118,000	20,887,000
UTAH	1,479,000	32,000	274,000	1,753,000
<b>SOUTHWEST</b>	<b>\$ 48,003,000</b>	<b>\$ 808,000</b>	<b>\$ 7,761,000</b>	<b>\$ 55,764,000</b>
<b>TOTAL ALL STATES</b>	<b>\$ 245,667,000</b>	<b>\$ 3,424,000</b>	<b>\$ 39,691,000</b>	<b>\$ 285,358,000</b>

/1 Included with Payroll Allotment  
/2 COE replacement pilot state. NonPayroll amounts included with Pay  
/3 Includes County Office Allotments issued in Notices BU-674, BU-676 and BU-677

for Richard P. Pugh 1/19/2005  
Director, Budget Division Date