

For: State Offices

FY 2005 Full-Year 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, Pub. 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 FSA is required to absorb a higher pay cost level than was requested in the budget creating a total shortfall of \$42.1 million.

Evaluation of that shortfall has been completed and full-year (261 paid-for workdays) allotments have been provided to fund non-Federal County Office staff years which include:

- 9,142 permanent staff years
- 1,252.75 staff years for all temporary and COC/MS employees
- an additional 106 permanent on board staff years above the budgeted ceiling for FY 2005.

DAFO has issued individual memorandums to all State Offices designating FY 2005 permanent and temporary ceiling levels. States with current employment levels above their FY 2005 ceiling level must make every effort to manage their staffing levels to the DAFO-approved permanent ceiling level.

Disposal Date	Distribution
October 1, 2005	State Offices

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1 Overview (Continued)

B Purpose

This notice:

- issues **revised** full-year allotments for FY 2005 County Office administrative expenses, non-Federal payroll, and non-payroll operating expenses, through September 30, 2005
- issues a County Office travel guideline
- obsoletes Notice BU-680 because:
 - information in subparagraph 3 B was incorrect
 - non-payroll allotment in Exhibit 1 has been revised
 - information in subparagraph 2 C has been revised.

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:

- if all the FY 2003, 2004, and 2005 ceilings are greater than the number of onboard permanent full-time employees as of February 19, 2005, the funded ceiling will be the smallest of the 3 ceilings

Note: If any of the 3 ceilings are less than the number onboard employees, the funded ceilings will be the number onboard.

- DAFO-approved FY 2005 other staff year ceilings for temporary employees and COC employees provided in 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, including COC and overtime for all employees within the temporary payroll allotment provided.

- an estimate for County Office employee travel

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2 Personnel and Travel Allotments (Continued)

A FY 2005 Guidelines and Levels (Continued)

- includes previous increases to States allotments approved by individual requests, or by special circumstances by DAFO

Note: Funds allocated for the Tobacco Transition Payment Program (TTPP) temporary employees and associated training funds are included in this amount.

- an estimate for within grade increases, promotions, and the average pay cost increase of 3.5 percent beginning in January 2005.

Payroll 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.

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 State
- any other personnel costs that would be included on an employee's W-2.

Lump sum leave expenses 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

Several of the national training sessions that were projected at the beginning of the year will not be held as anticipated. As a result, travel allotments that were being held at the national level for allocation as these training events were held are now being distributed to States. Therefore, travel allotments in this notice cover all travel expenditures other than expenses incurred for individual details as directed by DAFO.

Note: As travel funds continue to be limited, 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.

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.

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2 Personnel and Travel Allotments (Continued)

C Travel (Continued)

BUD will closely monitor travel usage by State at the National Office. 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 shall ensure that County Offices ENTER a "Y" in block 54, "Final Voucher Indicator," on travel vouchers. Unused travel obligations will expire if the Final Voucher Indicator code is used on the processed voucher.

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 the budget. No monetary awards are allowed without an allotment.

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

Gainsharing is not considered an award and should therefore be charged to BOC 11.10.

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 operating 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. Additional allotments have been issued to fully fund rent and utilities based on actual FY 2004 expenditures plus 5 percent for inflation.

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3 Other Operating Expense Allotments (Continued)

C Postage

Annual allotments have been issued showing an approximate 5 percent reduction from FY 2005 spending levels.

D Supplies and Materials

Allotments have been issued using \$763 per permanent full-time staff year. This allotment reflects a 43 percent reduction from FY 2004 spending levels. It is recognized that Type 1 offices have historically purchased supplies for the GS employees with CO funds. In order to ensure that funding levels are adequate to continue field office operations, the full-year allotment will be based on the FY 2005 ceilings, including the portion of the GS field ceiling assumed to be in the County Offices. "Excess" employees will not be included.

E Equipment and Furniture

Allotments have been issued using \$334 per permanent full-time staff year. This allotment reflects a 21 percent reduction from FY 2004 spending levels. It is recognized that Type 1 offices have historically purchased supplies for the GS employees with CO funds. In order to ensure that funding levels are adequate to continue field office operations, the full-year allotment will be based on the FY 2005 ceilings, including the portion of the GS field ceiling assumed to be in the County Offices. "Excess" employees will not be included.

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4 Action

A State Office Action

State Offices shall follow this table.

Step	Action
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"> • to adjust FY 2005 CCC-514, by recording the additional nonpayroll allotment using Menu NAA000, option 6, "Check Limitation and Ledger Control" • that all FY 2005 administrative payments issued to date, before receiving this additional allotment, are to be applied to the total allotment.
5	Monitor all 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 all operating expenses according to 115-FI. Note: 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"> • Vicki Stroer, KCFO, at 816-823-1343 • Robert Flores, BUD, at 202-690-0591.
8	Advise BUD, through DAFO, 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 Final County Office Allotments							
STATE	Permanent Allotment 1/	Temporary Allotment 1/	Excess Allotment 1/	Payroll Allotment	Travel Guideline 1/	Non Payroll Allotment	Total Allotment 3/
ILLINOIS	\$ 29,568,000	\$ 2,081,000	\$ -	\$ 31,947,000	\$ 298,000	\$ 7,084,000	\$ 39,031,000
INDIANA	18,630,000	1,863,000	-	20,776,000	283,000	4,915,000	25,691,000
IOWA	34,479,000	2,156,000	-	37,346,000	711,000	8,111,000	45,457,000
MICHIGAN	12,288,000	910,000	-	13,503,000	305,000	4,013,000	17,516,000
MINNESOTA	23,109,000	1,549,000	411,000	25,687,000	618,000	5,263,000	30,950,000
MISSOURI /2	23,944,000	1,988,000	-	32,370,000	423,000	-	32,370,000
OHIO	18,195,000	1,724,000	-	20,276,000	357,000	4,077,000	24,353,000
WISCONSIN	17,849,000	852,000	120,000	19,116,000	295,000	4,123,000	23,239,000
MIDWEST	\$ 178,062,000	\$ 13,123,000	\$ 531,000	\$ 201,021,000	\$ 3,290,000	\$ 37,586,000	\$ 238,607,000
CONNECTICUT	\$ 839,000	\$ 65,000	\$ 129,000	\$ 1,050,000	\$ 17,000	\$ 331,000	\$ 1,381,000
DELAWARE	729,000	63,000	-	799,000	7,000	198,000	997,000
MAINE	1,784,000	119,000	124,000	2,090,000	63,000	1,161,000	3,251,000
MARYLAND	3,459,000	220,000	-	3,740,000	61,000	939,000	4,679,000
MASSACHUSETTS	1,164,000	129,000	65,000	1,444,000	86,000	375,000	1,819,000
NEW HAMPSHIRE	729,000	64,000	122,000	934,000	19,000	453,000	1,387,000
NEW JERSEY /2	1,214,000	250,000	61,000	2,252,000	29,000	-	2,252,000
NEW YORK	8,070,000	663,000	183,000	9,114,000	198,000	3,423,000	12,537,000
PENNSYLVANIA	9,464,000	875,000	-	10,528,000	189,000	2,677,000	13,205,000
RHODE ISLAND	243,000	48,000	-	299,000	8,000	15,000	314,000
VERMONT	1,294,000	364,000	-	1,683,000	25,000	576,000	2,259,000
WEST VIRGINIA	3,702,000	227,000	729,000	4,822,000	164,000	1,669,000	6,491,000
NORTHEAST	\$ 32,691,000	\$ 3,087,000	\$ 1,413,000	\$ 38,755,000	\$ 866,000	\$ 11,817,000	\$ 50,572,000
ALASKA	\$ 450,000	\$ 108,000	\$ -	\$ 653,000	\$ 95,000	\$ 109,000	\$ 762,000
IDAHO	6,289,000	497,000	123,000	7,112,000	203,000	1,824,000	8,936,000
MONTANA	11,771,000	675,000	547,000	13,325,000	332,000	2,806,000	16,131,000
NEBRASKA	22,986,000	1,758,000	661,000	25,863,000	458,000	4,564,000	30,427,000
NORTH DAKOTA	15,333,000	1,416,000	1,534,000	18,702,000	419,000	3,950,000	22,652,000
OREGON	4,767,000	680,000	63,000	5,637,000	127,000	1,728,000	7,365,000
SOUTH DAKOTA	16,811,000	1,286,000	1,214,000	19,733,000	422,000	3,528,000	23,261,000
WASHINGTON	5,279,000	319,000	-	5,678,000	80,000	1,784,000	7,462,000
WYOMING /2	3,034,000	162,000	243,000	4,324,000	86,000	-	4,324,000
NORTHWEST	\$ 86,720,000	\$ 6,901,000	\$ 4,385,000	\$ 101,027,000	\$ 2,222,000	\$ 20,293,000	\$ 121,320,000
ALABAMA	\$ 10,406,000	\$ 463,000	\$ 903,000	\$ 12,294,000	\$ 522,000	\$ 2,759,000	\$ 15,053,000
ARKANSAS	12,547,000	455,000	1,009,000	14,304,000	293,000	2,530,000	16,834,000
FLORIDA	5,399,000	689,000	-	6,251,000	163,000	1,635,000	7,866,000
GEORGIA	17,717,000	565,000	1,396,000	19,983,000	305,000	2,657,000	22,640,000
KENTUCKY /2	20,181,000	960,000	-	26,180,000	306,000	-	26,180,000
LOUISIANA	8,086,000	412,000	1,667,000	10,346,000	181,000	2,484,000	12,830,000
MISSISSIPPI	13,337,000	558,000	1,185,000	15,342,000	262,000	4,787,000	20,129,000
NORTH CAROLINA	20,508,000	800,000	-	21,635,000	327,000	3,391,000	25,026,000
PUERTO RICO	-	374,000	-	394,000	20,000	-	394,000
SOUTH CAROLINA	7,768,000	561,000	-	8,495,000	166,000	1,718,000	10,213,000
TENNESSEE	16,565,000	1,189,000	371,000	18,339,000	214,000	4,335,000	22,674,000
VIRGINIA /2	10,929,000	495,000	-	15,251,000	189,000	-	15,251,000
VIRGIN ISLANDS	61,000	-	-	65,000	4,000	2,000	67,000
SOUTHEAST	\$ 143,504,000	\$ 7,521,000	\$ 6,531,000	\$ 168,879,000	\$ 2,952,000	\$ 26,298,000	\$ 195,177,000
ARIZONA	\$ 1,942,000	\$ 327,000	\$ -	\$ 2,358,000	\$ 89,000	\$ 845,000	\$ 3,203,000
CALIFORNIA	7,399,000	976,000	-	8,627,000	252,000	2,691,000	11,318,000
COLORADO	8,009,000	561,000	122,000	8,895,000	203,000	2,309,000	11,204,000
HAWAII	861,000	126,000	-	1,062,000	75,000	52,000	1,114,000
KANSAS /2	26,584,000	1,806,000	-	35,432,000	484,000	-	35,432,000
NEVADA	911,000	66,000	-	1,044,000	67,000	263,000	1,307,000
NEW MEXICO	3,720,000	208,000	64,000	4,129,000	137,000	902,000	5,031,000
OKLAHOMA	14,723,000	953,000	495,000	16,601,000	430,000	3,385,000	19,986,000
TEXAS	38,432,000	2,090,000	1,304,000	43,316,000	1,490,000	11,872,000	55,188,000
UTAH	3,095,000	313,000	310,000	3,838,000	120,000	849,000	4,687,000
SOUTHWEST	\$ 105,676,000	\$ 7,426,000	\$ 2,295,000	\$ 125,302,000	\$ 3,347,000	\$ 23,168,000	\$ 148,470,000
TOTAL ALL STATES	\$ 546,653,000	\$ 38,058,000	\$ 15,155,000	\$ 634,984,000	\$ 12,677,000	\$ 119,162,000	\$ 754,146,000

1/ Included with Payroll Allotment
 2/ COE replacement pilot state. NonPayroll amounts included with Payroll Allotments
 3/ Includes County Office Allotments issued in Notices BU-674, BU-676, BU-677, BU-678, and BU-680

Dennis J. Zantano
 Director, Budget Division

4/8/05
 Date