

This document replaces previously issued Chapter 12 within Part II of the

USDA Budget Manual.

PART II - CHAPTER 12

1. PURPOSE

The Department Estimates serve as USDA's formal budget proposal to the Office of Management and Budget (OMB). This guidance complements OMB Circular A-11, which has been attached to the email accompanying these instructions. Please complete the attached Word and Excel templates.

2. ACTION – SUBMISSION REQUIREMENTS

All sections of the template should be completed based on the *Initial Feedback* tables provided on August 1, 2022, or, if you appealed, *Final Feedback* tables to be provided August 12, 2022. Agencies should assume that programs zeroed out in the FY 2023 President's Budget continue to be zeroed out. Unless these zeroed-out programs are being reintroduced in your FY 2024 proposal, they do not need to be justified again. Agencies are reminded that the nature and amounts of the Secretary's decisions and the underlying materials are not to be released publicly. Agencies should follow the guidance provided in OMB Circular A-11 (see Section 22.1).

3. DELIVERABLES

- a. The table below provides a list of items, and their due dates, to be included in the submission.

Due Date	Item	Page No.
August 26 th (noon)	Transmittal Memo	NA
	Table of Contents	12-4
	Lead-Off Tabular Statement	12-5
	Appropriations Language and Explanation of Changes ^{1,2}	12-5
	Project Statement ¹	12-6
	Justifications ¹	12-7
	Proposed Legislation ^{1,2}	12-9
August 17 th (noon)	Annual Performance Plan (APP) for FY 2024; Annual Performance Report (APR) for FY 2022; Evaluation Plan for FY 2024, and Key Performance Indicators (KPIs)	12-10
	Agency Evidence Submission	12-10

- Items must be produced separately for each Treasury account; except for trust funds and permanent appropriations, which may be combined (showing the accounts as separate entries).*
- Required only for accounts with proposed appropriation language or authorizing legislation.*

- b. Upload all the files to SharePoint and email it to your respective Staff Chief.

4. SCHEDULE

Department Estimates are due to OBPA on August 26th. Please upload your completed materials to your Mission Area's folder located on the OBPA SharePoint found at

<https://usdagcc.sharepoint.com/sites/obpa/FY%202024%20Department%20Estimates/Forms/AllItems.aspx>. Note: this will be a different link than what you used for the Agency Estimates. Please submit a request to establish your access to the SharePoint site by Friday, August 19th using this site

<https://forms.office.com/Pages/ResponsePage.aspx?id=5zZb7e4BvE6GfuA8-g1GI2s3ad2IMA5AktEZo6QMtlhUNTc4NjNVTE5KR05QV1VGSE81RUxDNERUNS4u>.

Additional key dates for the FY 2024 Budget process are listed below. Please note that these dates are subject to change.

Item	Due Date
Chapter 11 guidance issued	June 1
OBPA meet with Agencies on the guidance and templates	Early June
Agencies submit Agency Estimates to OBPA	June 30 (noon)
Agencies meet with Deputy Secretary and OBPA	July 5 - 15
Chapter 12 guidance issued	August 3 rd
Secretary provides initial Passback	August 1 st
Agency appeal of Passback	August 8 th
Secretary provides final Passback	August 12 th
Department Estimates due to OBPA	August 26 th
Department Estimates due to OMB	September 12 th
OMB meets with Agencies to discuss Department Estimates	Late September
OMB provide initial Passback	November 28 th
Secretary appeal of Passback	Early December
OMB provide final Passback	Mid December
President's Budget and Strategic Plan due to Congress	Feb. 6, 2023

5. INQUIRIES

Refer to the contact list below for any inquiries you may have.

Mission Area	OBPA Representatives
Department Estimates General Questions SharePoint Issues	Melissa Gutridge Glory Tribhuwan-Pandit
FNCS	Polly Fairfield, Tina Beckwith
NRE	Mariel Murray, Anna Potter, Jinee Burdg
Staff Offices	Mariel Murray, Riana Ventura Bishop
FPAC	Mark Smith, Lee Ziegler, Jeremy West, Hillary Fleak
RD	Laura Sfecla, Prashant Patel, Jennifer Magrath, Heather Jones
FSIS	Kent York, Mark Zito
MRP	Kent York, Juan Salva
REE	Julia Druhan, Veronica Paz
TFAA	Julia Druhan, Dan Kuske
Performance, Evidence, APGs	Michelle Moore, Lynn Khadiagala

6. FORMAT

- All materials should be formatted for a page size of 8-1/2" x 11".
- The top margin is 0.9 inches. The bottom margin is 0.8 inches. The side margins are 1 inch. The header is 0.45 inches. The footer is 0.25 inches.
- The header should be "2024 USDA DEPARTMENT ESTIMATES – "and the agency name, centered, small caps. Apply a bottom border to the header.

- d. Page numbers should be centered in the footer.
- e. All narrative in an Agency submission should be in type font Times New Roman either 10 or 12 points.
- f. Issues relating to proper formatting or sizing should be resolved with OBPA.
- g. Unless otherwise noted, tables should show dollars in thousands (as shown in the examples). The text “(thousands of dollars)” should appear in the caption above all tables formatted as such.
- h. Replicate table headers and column heading as shown in exhibits. (Substitute the proper program names and similar information as applicable.)
- i. Follow formatting shown in the example exhibits.

Please insert the excel tables into your final word document. Please do not alter the formatting established below or in the excel documents (except to replace/delete/add rows and row titles for program accounts). The page numbering should start with the same chapter number for your submission as was used in the FY 2023 President’s Budget.

* Note: This guidance is subject to change, via addendum, pending further guidance from OMB.

7. CONTENT

The following exhibits need to be completed:

- To be completed in the attached excel template:
 - Lead-Off Tabular Statement (one table for each account, one for the Agency or Mission Area)
 - Project Statement (one table for each account)
 - Legislative Proposals (including Discretionary or Mandatory)
 - Object Class (one table for Discretionary, Mandatory, Supplemental if presented in 2023 PB that way)
- To be completed in the template provided:
 - Appropriations Language
 - Justifications of Increases and Decreases
 - Legislative Proposals

8. EXHIBITS

The rest of the document below (unless otherwise noted) should be completed separately for each account (as in previous years). Please order the accounts in the order they appeared in the 2023 Congressional Justification.

EXHIBIT 12-1 - TABLE OF CONTENTS

SAMPLE EXHIBIT

2024 USDA Department Estimates – Agricultural Engineering Service

Table of Contents

Agency-Wide	2
Lead-Off Tabular Statement.....	2
Account 1: Salaries and Expenses.....	3
Lead-Off Tabular Statement.....	3
Appropriations Language	4
Project Statement.....	5
Proposed Legislation	7
Account 2: Buildings and Facilities	8
Appropriations Language	8

EXHIBIT 12-2 – LEAD-OFF TABULAR STATEMENT

The Lead-Off Tabular Statement provides a tabular summary of changes between the proposed request and the base year.

GENERAL INSTRUCTIONS

- a. A separate exhibit is required for each account; except for trust funds and permanent appropriations, which may be combined (showing the accounts as separate entries).
- b. For agencies with multiple accounts, provide a table depicting the change for the entire agency along with each individual account before the individual account sections. See the Exhibit Examples.
- c. Enter amounts in whole dollars, not dollars in thousands.
- d. If your submission includes proposed legislation, include a second table showing the Current Law estimate, the requested change amount, and the Net Request.

EXHIBIT 12-3 – APPROPRIATIONS LANGUAGE

The Appropriations Language section highlights and explains proposed changes to the language.

GENERAL INSTRUCTIONS

- a. A separate exhibit is required for each account; except for trust funds and permanent appropriations, which may be combined (showing the accounts as separate entries).
- b. Include the language, in its entirety, for every appropriation account requested in the Appropriations Bill, using the 2023 Budget as the base.
- c. Prepare an explanation of the need for change from the base and a justification for change for each main head appropriation for which there is a language change other than revisions in appropriation amounts. Clearly describe why the change is needed. Specify whether the change can be accomplished under the current authorization or if new authorizing legislation is required.
- d. The following sentence should precede the language. “The appropriations language follows (new language underscored, deleted language enclosed in brackets):”

APPROPRIATIONS LANGUAGE

The appropriations language follows (new language underscored; deleted language enclosed in brackets):

[Insert appropriations language for each account following the instructions above. Please use the formatting style below]

- 1 *Appropriations language...*
- 2 *Appropriations language (cont'd)...*
- 3 *Appropriations language (cont'd)...*
- 4 *Appropriations language (cont'd)...*

The first change (line 2) does x, y, and z.

The second change (line 4)...

EXHIBIT 12-4 – PROJECT STATEMENT

The Project Statement provides a 4-year detail view of programs/activities by funding type. Program-level detail includes adjusted appropriations (adjusted for sequestration, rescission, and transfers) and staff years. Account-level information includes beginning and end of year balances, rescissions, sequestrations, itemized transfers, total appropriation, total funding available, and obligations.

GENERAL INSTRUCTIONS

- a. A separate exhibit is required for each account; except for trust funds and permanent appropriations, which may be combined (showing the accounts as separate entries).
- b. Exclude proposed rescissions, proposed supplementals, and General Provisions. Include relevant information in a note immediately following the exhibit.
- c. Appropriation amounts should be shown on an adjusted basis (i.e., PY-1 and PY should include all enacted appropriations, enacted rescissions, and transfers). Include enacted rescissions. When transfers are shown for the current year, the past year should be adjusted for comparability. Exception: For transfers to agencies for Congressional Relations Activities, do not show estimated transfers for CY or BY. All funds for these years will be shown under the OSEC. Show only the PY-1 and PY actual transfer amounts.
- d. Change the appropriations type header as needed according to account type(s). Label should be one of the following: Discretionary Appropriations, Mandatory Appropriations, Permanent Appropriations, Trust Funds, or Permanent Appropriations and Trust Funds.

PROJECT STATEMENT

[Insert project statement here]

EXHIBIT 12-5 – JUSTIFICATIONS

The Justifications narratively illustrate each program’s purpose, target demographic, effectiveness (if performance measures are available), base cost (including IT investment and staff years), and detailed description of any proposed increase or decrease.

GENERAL INSTRUCTIONS

- a. A separate exhibit is required for each Project Statement on Basis of Adjusted Appropriation provided.
- b. All programs and activities should be justified.

Present key findings on program effectiveness from program evaluations, performance data, or from relevant research. For grant programs, discuss how the agency is increasing the use of effectiveness evidence when making decisions on allocating grant awards. If relevant to your program, indicate how effectiveness evidence of enforcement approaches is informing your enforcement strategies.

- Why is the change being proposed?

Potential rationales could include, but are not limited to:

- Efficiency
- Change in demand
- Statutory requirements
- Policy direction changes
- Changing industry standards
- Customer service
- Reduces risk
- Addresses ongoing OIG report on USDA Management Challenges
- Achieving Strategic Goals and Objectives
- Achieving Equity Action Plan
- Infrastructure Permitting – Permitting Action Plan Implementation
- Prioritize investments to measure and monitor greenhouse gas emissions and removals
- Decarbonizing Federal Operations and Infrastructure
- Reduce the role that medical debt plays in determining whether Americans can access credit – which will open up new opportunities for people with medical debt to buy a home or get a small business loan
- What will additional funds achieve?
- What are the programmatic and/or operational impacts on the outyears?
- What assumptions are being made?
- What changes in operating expenses (including staffing levels) are necessary to achieve success?
- What regulatory changes are needed, if any, to implement? Will they be complete by FY 2024?
- What will happen if the program/requested increase is not funded?
- What are the tradeoffs to other programs?
- c. Funding change justifications should include:
 - Method for calculating the expected costs;
 - For each increase or decrease provide:
 - Expected result to be achieved;
 - Rationale and evidence that support proposed changes which achieves result;
 - Description of work with partners and collaborators (repeat relevant items requested as part of base justification);
 - Specific benefits, impacts or expected results; and
 - Performance goals (i.e., description of work units, outcomes that would result from the change, service standards, unit costs, output per staff year, etc.).
- d. Include quantitative results and/or narrative statements covering the current and budget years. Also include information such as actions to improve management efficiency and program costs reviews.

JUSTIFICATIONS OF INCREASES/DECREASES

Please complete this section for each PPA within your Agency. Only complete this section for PPAs that have proposed changes; if a PPA is proposed to remain the same compared to the FY 2023 President's Budget, you do not need to complete this section. Your justifications should be consistent with the *Final Feedback* document and answer the applicable questions above. Each proposed change should be no more than one page.

Scenario 1 Justification of Increases and Decreases:

1. An increase/decrease of \$xxx,xxx,xxx and XX FTE's in salaries and expenses for the [project name] programs (\$xxx,xxx,xxx and XX FTE's requested in the FY 2023 President's Budget).
 - a) An increase of \$xx,xxx,xxx for pay and employee costs in [project name] programs. This increase consists of \$xx,xxx,xxx in 2024 pay and employee costs, for continuation of the 2023 pay cost increase of 4.6 percent and the 2024 pay cost increase of 4 percent. In addition, the increase includes an additional increase of \$xx,xxx,xxx for 2023 pay and employee costs from what was requested in the FY 2023 President's Budget. If this funding is not provided, [Mission Area/Agency Name] would need to...
 - b) An increase/decrease of \$xx,xxx,xxx for 2023 and 2024 Working Capital Fund (WCF) and 2023 Shared Cost Program costs in [project name] programs. Of this amount, \$xx,xxx,xxx is an increase/decrease of the net change of 2024 and 2023 WCF and \$xx,xxx,xxx is an increase/decrease for 2023 Shared Cost Program costs from what was requested in the FY 2023 President's Budget. If this funding is not provided, [Mission Area/Agency Name] would need to...
 - c) An increase/decrease of \$xxx,xxx,xxx and XX FTE's to evaluate [project name] programs. This increase/decrease...
2. An increase/decrease of \$xxx,xxx,xxx and XX FTE's to increase equity for the [project name] programs (\$xxx,xxx,xxx and XX FTE's requested in the FY 2023 President's Budget). This decrease...

Scenario 2 Justification of Increases:

1. An increase of \$xxx,xxx,xxx and XX FTE's to evaluate [project name] programs (\$xxx,xxx,xxx and XX FTE's requested Scenario 1). This increase would...

EXHIBIT 12-5 – LEGISLATIVE PROPOSALS

The Summary of Proposed Legislation summarizes individually each legislative proposal related to the proposed budget request as provided in the Passback materials. Any Farm Bill legislative proposals will be addressed in separate guidance.

GENERAL INSTRUCTIONS

- a. For any proposed legislative changes, provide a detailed explanation of the proposed legislation, including which current legislation is being amended, explaining each provision of the proposal, including any performance indicators that would illustrate changes in the program and how the estimate is calculated. Also indicate the number of staff years that would be saved, if applicable. In addition, include specifics on any changes that will be made to the delivery of mandatory programs.
- b. Include only proposals approved by the Secretary as reflected in the Final Feedback papers.
- c. Do not include Farm Bill proposals.

LEGISLATIVE PROPOSALS

Please describe any legislative changes to authorizing language (including Farm Bill) for discretionary and mandatory programs that is necessary to achieve your Agency's budget request. Include changes for General Provisions as well (excluding eliminations of GPs that solely provide additional funding). Assume that any proposals included in the FY 2023 President's Budget carry forward. Your description should answer the following questions:

- What is the rationale for this proposal?
- Are there any expected potential savings/costs? Please provide FY 2024 costs/savings along with the associated initiatives as well as the investment name and 10-year costs/savings.
- Who will be impacted?
- Has this been proposed before or is it a new issue?
- Provide if this can be done Administratively, requires a legislative change in the Appropriation language, requires a change in the Authorizing language, or a combination.
- Provide if this is seeking discretionary scoring, mandatory funding, language changes or both.
- Provide name of legislation to be amended

ANNUAL PERFORMANCE PLAN (APP) FOR FY 2024; ANNUAL PERFORMANCE REPORT (APR) FOR FY 2022; EVALUATION PLAN FOR FY 2024 AND KEY PERFORMANCE INDICATORS (KPIs)

On June 27, 2022, OBPA issued a data call to the Performance, Evidence, and Evaluation Committee (PEEC) representatives for material to support USDA's FY 2024 APP, FY 2022 APR, the FY 2024 Evaluation Plan, and KPI reporting. OBPA is reviewing submissions and will be reaching out to PEEC representatives to make refinements. In addition, regarding Mission Area or agency proposed new KPIs, OBPA will send these through a clearance process and, if approved, will report them in the APP and on performance.gov. Please direct questions to Lynn Khadiagala at Lynn.Khadiagala@usda.gov and Michelle Moore at Michelle.Moore@usda.gov.

AGENCY EVIDENCE SUBMISSION

In accordance with OMB guidance, agencies must document agency evidence building activities. Please follow the guidance in the Chapter 12 Guidance_Evidence Submission.xlsx file. Please note that there are specific instructions on each tab. Please direct questions to Lynn Khadiagala at Lynn.Khadiagala@usda.gov and Michelle Moore at Michelle.Moore@usda.gov.

IT AgMAX/JOINT CERTIFICATION MEMOS

Guidance concerning completion of these activities were provided under separate communications.