



Office of the Attorney General
Washington, D.C.

April 12, 2010

MEMORANDUM FOR HEADS OF DEPARTMENTAL COMPONENTS

FROM: *ED* THE ATTORNEY GENERAL

SUBJECT: Guidance for Preparing FY 2012 Budgets

This memorandum provides guidance regarding the FY 2012 budget development process for the Department of Justice.

In his State of the Union address on January 27, 2010, President Obama announced a three-year managed budget freeze, beginning in FY 2011, in non-security discretionary funding to help reduce the Federal deficit. Implementation of the freeze will require a number of hard choices and potentially difficult tradeoffs. However, the Administration is committed to restoring fiscal responsibility as we continue to rebuild our economy—and the Department will do its part to further this goal.

The Department has been fortunate in the past two budget cycles to see growth in our vital programs. Since President Obama's inauguration, the Department has benefitted from a \$3.5 billion increase to its discretionary budget authority and an increase in staffing levels of over 7,400 new positions. The FY 2010 appropriation and the FY 2011 pending budget request have sharpened our focus on protecting national security, reinvigorating the Department's traditional missions, maintaining safe and secure prisons and detention, and providing support for our state, local and tribal partners. The Department is being asked to look closely at our existing programs and identify ways to implement efficiencies and work smarter to sustain the growth provided for priority programs.

Due to the budget freeze guidance, the FY 2012 discretionary funding level for the Department of Justice is \$28.5 billion, compared to \$29.2 billion in FY 2011. Within this funding level, the OMB guidance increases our budget for the Community Oriented Policing Services (COPS) hiring program. All told, the guidance reduces our discretionary budget authority by 4 percent in FY 2012 and an additional 3 percent in 2013. Thus, we can anticipate difficult budgets for several years to come.

I challenge us to individually and collectively take a hard look at existing programs and have an honest conversation about program effectiveness and results that matter. The President and the American people expect us to ensure that our base resources are executed as effectively

and appropriately as possible, and to propose increases to sustain only the highest priority initiatives. Therefore, to do our part, we must identify program offsets and operational efficiencies that enable the Department to improve operations and result in savings to the taxpayer. We need to think in terms of long-term viability – the program changes we develop must be sustainable for more than one year since the FY 2013 guidance proposes a further reduction to the Department's budget. If we choose not to execute this exercise ourselves, others will likely direct us to implement proposals that we find untenable.

In this restrictive budget environment, components should submit budget requests that do not exceed FY 2012 current services requirements. That is, components may only request the funding necessary to continue the level of program effort requested in the FY 2011 President's Budget. Permanent program offsets or management efficiencies must be provided to finance any budget request that exceeds the current services funding level. Further, component one-time funding increases in the FY 2011 President's Budget will be reserved in the FY 2012 process to fund our highest priority needs. I expect to identify those Departmental needs as part of this year's process.

In addition, components are strongly encouraged to consider and submit budget requests that include sustained cost reductions. The Department will face difficult choices and I ask every component to closely examine spending to ensure that budget requests support only those programs that are successful, efficient, are not duplicative, and support the essential missions of the Department.

As part of the Department's review process, I have directed the Justice Management Division (JMD) to identify opportunities for restructuring proposals, program offsets, and management savings and efficiencies that may be used to finance increases in my priority programs. In the area of management savings and efficiencies, JMD will examine options for leveraging our purchasing power, consider the feasibility of shared services models, and find ways to improve the acquisition of complex services, particularly in the area of information technology. JMD will work cooperatively with components on this exercise and present options as part of my announced savings initiatives.

Performance and Budget Integration

We must continue to link resources and performance at every phase of the financial management process, from reporting on how resources were used to planning for future resource needs. Budget requests must reflect the best investment of taxpayer dollars and the concrete results anticipated as a result of the investment.

Your budget proposal must highlight performance and anticipated results. In addition, requests for funding (both base and program changes) must clearly articulate the expected results of the resources and the impact on the effectiveness of the program. The performance information will help inform where our limited resources are invested.

Timeline

Your FY 2012 budget submissions are due to the JMD Budget Staff on or before June 4, 2010, and the Department's FY 2012 budget request is due to OMB by September 13, 2010. The Assistant Attorney General for Administration and his staff will provide you with a table that includes your current services level for FY 2012. He will also send you detailed information about the budget format and process, including the summer review process with the Acting Deputy Attorney General.

In the coming years, we need to continue to be wise about how we spend our resources to keep the nation safe, enforce the criminal laws, and protect the rights of the American people. Together, we need to be more efficient and focus our resources on our highest priorities as new challenges and threats emerge. I look forward to reviewing your FY 2012 requests so that we can further our goals in support of justice for all Americans.