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| DIRECTOR'S MEMORANDUM: 02-08

FOR: ALL REGIONAL ADMINISTRATORS AND DIRECTORS  
FOR VETERANS' EMPLOYMENT AND TRAINING

FROM: F. PAUL BRIGGS  
Director, Office of Agency Management and Budget [Approved]

SUBJECT: Budget Preparation Guidelines (FY2008)

At this point in time, we anticipate at least one Continuing Resolution (CR) during the first quarter of FY 2008. Our goal is to work collaboratively and expeditiously with the Regions to determine their FY 2008 resource needs During the CR period, and for the entire fiscal year. Regional and National Office budget formulation and execution in FY 2008 should reflect, to the degree possible, the Assistant Secretary's policy and guidance direction as stated in ASVET Memorandum 01-06 (Policy and Guidance for FY 2006-FY 2008).

We recognize that the one area where you have discretion in adjusting your budget from year to year, to meet priorities, is in official travel. With that in mind, I want to highlight the ASVET's guidance. In this directive, the Assistant Secretary clearly laid out three overarching goals for the next three years:

- Improve the quality and effectiveness of employment services to veterans in the One Stop Career Center system
- Improve transition assistance services for active duty, Reserve and National Guard service members who are moving from the military to civilian life, and ensure all service members and veterans understand their employment and reemployment rights.
- Focus intensive employment services and personal, face to face assistance on those service members and veterans who need our help the most-those who are recently separated, those who have been seriously wounded or injured, those with significant barriers to employment, including homeless veterans.

To support these goals, the Assistant Secretary laid out four priorities:

- Improve entered employment outcomes, retention and earnings for veterans.
- Improve transition services for active duty, reserve and National Guard.
- Improve relationships with State Workforce Agencies
- Improve leadership training for VETS' staff.

The Assistant Secretary also articulated three-year outcome goals, and a list of operational strategies to achieve these goals ("Ten Most Wanted" list).

VETS' FY 2008 budget submission, and VETS' Strategic and Performance Plan 2006-2010, were developed with these goals and priorities in mind.

Consistent with the ASVET's guidance, travel priorities for FY 2008 are: USERRA/VP complaint actions, delivery of mobilization/de-mobilization briefings, and stewardship of the grant programs (monitoring and technical assistance visits).

**FY 2008 VETS' Performance Indicators:** Programmatic activities should be planned to support attainment of the following specific performance indicators for FY 2008 (from the VETS FY 2008 budget submission):

**Performance Goal:** Improve the employment outcomes for veterans who receive One Stop Career Center services and veterans' program services:

- Indicator: Veterans and Disabled Veterans: Employment after program exit.
  - Target: Veterans, 66.5%; Disabled Veterans 56.5%
- Indicator: Veterans and Disabled Veterans: Retention in employment after program exit
  - Target: Veterans, 82.5%; Disabled Veterans, 80.5%
- Indicator: Homeless veterans: Employment after program exit for homeless veterans participating in the Homeless Veterans' Reintegration Program (HVRP)
  - Target: 69%
- Indicator: Homeless veterans: Retention in employment after program exit for homeless veterans HVRP participants
  - Target: 60%

**Performance Goal:** Reduce USERRA violations in reemployment, discrimination, and other areas, and reduce complaints without merit by protected individuals, originating from service members' military obligations conflicting with their civilian employment.

- Indicator: Percent of improvement in the USERRA Progress Index (measures compliance progress and assistance progress).

Compliance Progress: 1) Number of Guard/Reserve de-mobilized per USERRA claim filed; 2) Number of Guard/Reserve de-mobilized per USERRA claim filed by Guard/Reserve in primary issues; 3) Number of USERRA violations; 4) Number of USERRA violations in primary issues; 5) Number of meritless USERRA claims; 6) Number of meritless USERRA claims in primary issues; 7) Average days cases remain in VETS jurisdiction

Assistance Progress: Number of USERRA assistance contacts per Guard/Reserve mobilized and de-mobilized

- Target: 115%

The following guidance is provided to assist in preparing operating budgets:

**A. Object Classes 1100 & 1200** – Staff are our most important resource in meeting performance goals. Staff salaries and benefits will be paid. OAMB works with the Regions continually to closely monitor the personnel situation. Working with the Regional Administrators a revised WEBPARS approval process was instituted that allows RAs to be both initiator and approver of personnel actions, while OAMB is the administrative reviewer.

This allows OAMB to be aware of hiring actions and to recommend effective dates. It also means that we have a redundant system for budgeting and tracking object class 1100 and 1200 expenditures; OAMB has primary responsibility for budgeting and tracking personnel expenditures but most Regions have elected to maintain their own budgeting and tracking system. NOTE: it is anticipated that performance awards for FY 2007 staff performance will be built into the FY 2008 allocations.

VETS intends to maintain an FTE level of 240 in FY 2008. Several factors will influence this during FY 2008, and VETS policy on hiring will be reevaluated and adjusted accordingly. Some of these factors are:

- 1) During the anticipated CR, the Department may impose a hiring freeze.
- 2) The actual appropriation may not enable a projected FTE level different (above or below) the 240 level.
- 3) Retirements may differ from projections, along with pay-outs for annual leave, and other items affecting amounts available in 1100 and 1200.

After the CR period, VETS may or may not continue with current policy of no limitations on hiring to approved staffing levels. However, for reasons stated above, it may become necessary to periodically impose a percentage fill rate limitation (such as 95%) for all organizational entities.

When such a limitation is in place, the priority for Regional Administrators will be filling DVET vacancies; justification to the DASVET must be made for an exception to this priority.

Additionally, Regional Administrators and Office Directors are expected to fill vacancies at the entry level grade for all positions with established career ladders. Regional Administrators and Office Directors have the authority to make exceptions if doing so is in the best interest of the agency.

**B. Object Class 2100 - Travel:** Regional Administrators must continue to plan to accomplish all necessary travel as cost effectively as possible (i.e., planning for multiple tasks to be accomplished in a single trip, planning travel to “resort areas” during the off season, etc.). The guiding principles for determining travel requirements are ASVET Memorandum 01-06 and the Agency’s Strategic and Performance Plan 2006-2010. Consistent with the ASVET’s guidance, travel priorities for FY 2008 are: USERRA/VP complaint actions, delivery of mobilization/de-mobilization briefings, REALifelines technical assistance and support, and stewardship of the grant programs (monitoring and technical assistance visits). Regions will not be required to report travel on the ATP in FY 2008. A consolidated format will be proposed and provided to the Regions by National Office which is intended to capture both resources invested and outputs.

**C. Object Class 2300 - Communications:** Calculate anticipated expenditures in this OC based on past experience (expenditures) including any known increases/decreases.

*Note: Although you don’t have a significant impact on expenditures in this object class, you can influence the use of telephones and possibly reduce rent costs by collocating, when feasible. Space rent and telephone costs are the major expenditures in OC 2300.*

**D. Object Class 2400 - Printing and Reproduction:** Calculate anticipated expenditures in this OC.

*Note: All printing and reproduction must be routed through the Government Printing Office (GPO) and should be kept to just what is needed for the year.*

**E. Object Class 2500 - Other Services:** Identify costs for any service contracts for equipment, postal scales, etc. Additionally, include any training funds needed for staff development. Regional Administrators are to submit a training plan (attached) for the FY, which includes the individual, type of course, cost of the training, and any travel costs required to attend the training.

PLEASE NOTE THAT STAFF TRAINING IS A PRIORITY OF THE ASVET. You are strongly encouraged to work with staff on the development and implementation of Individual Development Plans (IDPs), and to request any necessary funds to pay for training tuition.

- F. Object Class 2600 - Supplies and Materials:** Calculate anticipated expenditures in this OC.
- G. Object Class 3100 - Equipment:** Calculate anticipated needs in this OC, assuming that all life cycle IT requirements (to include desktop computers and notebooks) will be purchased nationally.

RAs should plan to submit (electronically) their initial budget request to the Director, Office of Agency Management and Budget, Paul Briggs; and provide a copy to Linda Chambers, by **October 15, 2007**. Please remember to include the following attachments if possible.

- “Roll-up Annual Budget” spreadsheet, which includes both a quarterly and cumulative breakdown by OC;
- OCs 1100-1200 proposed breakdown for pay and benefits. This information will be used as a baseline for projecting agency salaries and benefits. FTE costs will be managed by National Office in partnership with the Regions. However, final Regional allocations will not include a breakdown of OCs 1100 and 1200
- Completed 2500 (Training, contract and other services as needed) cost breakdown;
- Completed 3100 (Equipment) cost breakdown; \*Please see note above.
- USERRA: National Office directed USERRA activities will be included in the National Office budget projections. For planning purposes, Regions should provide a separate breakdown of anticipated resource requirements (to be included in their overall allocation requests) for day to day USERRA investigations, outreach activities, etc.

As in the past, Regional Administrators will be held accountable for spending within (+/-) 1% of the overall regional annual allocation.

Any questions concerning the guidance in this directive should be directed to Paul Briggs on (202) 693-4713 or to Linda Chambers (202) 693-4732.

Expiration: when superseded