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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

OCT 11 1976

MEMORANDUM FOR: William Baroody
Philip Buchen
James Cannon
Richard Cheney
James Connor
William Gorog
Alan Greenspan
Robert Hartmann ✓
John Marsh
Ronald Nessen
Brent Scowcroft
William Seidman
John Veneman

FROM: James T. Lynn

SUBJECT: 1978 Budget Process

Preparation of the FY 1978 Budget is well underway. The budget submissions for most agencies have already arrived at OMB.

As your participation in the budget process is important, and in fact essential, I have attached for your information a broad outline of the 1978 budget process. This will give you an idea of the timetable that is necessary if we are to transmit the Budget to the Congress on January 17, 1977, as now expected.

You and your staff may desire to advance ideas of your own concerning the 1978 Budget. We also recognize you may wish to consult with OMB on our views or those of the agencies.

We welcome your contributions and suggestions. Please note that they are most timely and useful in October and early November, after which it becomes increasingly difficult to make changes.

Should you desire additional information, please contact us.

Thank you for your cooperation.

Attachment



PLAN FOR THE 1978 BUDGET PROCESS

Examiner review of agency proposals (September and October). Agency budget submissions are required to be submitted by September 15. Upon receipt, the submissions are analyzed in detail by OMB examining staff. During this period, hearings are scheduled with agency representatives to obtain a better understanding of the proposals. No commitments are made during these hearings.

Preparing recommendations to the President on agency budget requests (October and November). OMB associate directors (Don Ogilvie, Daniel Kearney, Jim Mitchell and Dan McGurk) and their deputies will put together tentative budget recommendations after an intensive review of the agency budget submissions and the recommendations of the OMB examiners. Major issues will be discussed at oral review sessions conducted by Jim Lynn and Paul O'Neill between October 13 and November 17 (see attached schedule). As in the past, we hope that representatives of the White House and other Executive Offices can join us in the appropriate sessions. Materials for each of the sessions are available in advance from the Secretary of the Director's Review, Rand Baker (ext. 4672), who can also inform those planning to attend specific sessions of any changes in the schedule. Review of recommendations on minor issues in the larger agencies and recommendations for smaller agencies will be handled by the circulation of decision papers within OMB. White House and Executive Office representatives will also be consulted.

Presentation of budget issues and requests to the President (November 10 to November 30). The objective of the first round of reviews with the President is to determine what response should be made to agencies' budget requests. The responses will be made as soon as possible after each meeting with the President. During this first round, we will give the President progress reports on the emerging budget totals. We will also be reporting on those totals at senior staff meetings.

Presidential Appeals (December 2 to December 10). If a major agency feels compelled to disagree with the response to its request, the agency and OMB will prepare joint appeal papers for the President's review. Agency heads will attend some of these sessions with the President.

Drafting the Budget Message and related policy statements (beginning in mid-November). OMB staff will prepare initial drafts on the President's Budget Message and more detailed justification of the President's proposals for use in other parts of the budget documents. These will not only explain

the budget proposals, but will also reflect the Administration's policy viewpoints that support them. Subsequent drafts of the Message will be circulated to you when they have gone through internal review and begin to develop into something like a final product. Relevant sections of other parts of the Budget will be circulated to your staffs shortly after Christmas.

Preparation and printing of the budget documents (mid-November to mid-January). Initial printing of the budget documents will begin the week of November 15. Final adjustments to agency requests, to economic assumptions, and to new Presidential initiatives must be worked into the budget detail and the numbers "locked up" before (1) the large volume of numbers can be summarized and categorized in a variety of ways, and (2) justification and explanation of the budget can be drafted. The lock-up must occur around Christmas. Final production of documents must be released to the Government Printing Office for final production on a phased schedule 10 to 6 days before transmittal.

Press briefings (Saturday, January 15). The budget documents will be released to the press on January 14. Not only the main press briefing, but also many agency briefings will be held on January 15.

Transmittal to the Congress (Monday, January 17).

1978 BUDGET REVIEW SESSIONS

OCTOBER					
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
11	12	13	14	15	16
COLUMBUS DAY		Economic and Fiscal Overview			
18	19	20	21	22	23
NR, EF & SET small agencies			Interior, EPA, Corps of Engineers	VA	
Tax Policy *				NASA	
25	26	27	28	29	30
VETERANS DAY	Statistics Crosscut	Treasury, GSA			
				NS & IA small agencies	

*OMB/CEA/Treasury

	Director's Review
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1978 BUDGET REVIEW SESSIONS

NOVEMBER

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1 Labor	2 HR & HVL small agencies	3 Agriculture	4 EG small agencies	5 HEW	6
	Commerce, SBA				
8 Foreign economic and military aid	9 Justice, CSC	10 HUD, Housing Crosscut	11 Defense	12 Defense (cont.)	13
HEW (cont.)		NASA, SET small agencies	Interior, EPA, ** Corps of Engineers	Treasury, GSA	
15 Energy R&D and *** ERDA	16 Energy Policy and FEA	17 DOT	18	19	20
	Agriculture, EF small agencies	Justice, Commerce, SBA, EG small non-regulatory agencies	HUD, VA, Labor **	HEW **	
22	23	24	25	26	27
	Defense **	Foreign economic ** and military aid	THANKSGIVING DAY	Energy R&D and ERDA	
29	30				
Transportation, EG small regulatory agencies	Energy Policy and FEA				

** Includes related small agencies.
*** Entire day allotted for review.

Director's Review

Proposed Presidential Sessions



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

DATE: 12/27/76

TO: Bob Hartmann

FROM: Jim Lynn

This was sent to the
President in Vail last week.

Attachment

OMB FORM 38

REV AUG 73

Bob Hartmann



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

DEC 23 1976

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: James T. Lynn (Signed)
SUBJECT: Unveiling the Fiscal Year '78 Budget

I. ISSUE

Given the need for planning and arranging the necessary details, it would be helpful if a decision could be reached on the level of visibility which you would like to give to the unveiling of the Fiscal Year '78 Budget.

II. OPTIONS

1. A Presidential press briefing

Pro:

-- Given the time and effort which you have personally devoted to its preparation, a Presidential briefing would demonstrate the importance which you attach to your final budget.

-- A briefing on the budget could also serve as the occasion for your last Presidential press conference.

-- If the briefing were to take place in the evening, it could well be covered by live TV. This would enable you to speak directly to the Nation on a variety of matters -- budgetary and otherwise.

-- Since the Ford budget will serve as a benchmark for many Congressional Republicans, a Presidential budget briefing to the Nation could prove to be invaluable to those Members of Congress who will try to use the Ford budget as their target during the course of the year.

Con:

-- Since some members of the press will persist in viewing this budget as vestigial, it is difficult to anticipate the nature of the questioning.

-- Depending on the final budget figures, it is possible that the press will focus on any differences which may materialize between the budget and statements made during the course of the campaign (e.g. balancing the budget in FY '79).

-- The press could choose to play down the substance of the occasion and seek instead to emphasize stylistic elements, with inevitable comparisons between this year's briefing and last year's briefing.

-- If the budget briefing is also your last press conference, the budget may be only a minor facet of the questioning. (This is not necessarily a "Con").

-- If the final budget numbers are higher than we would have liked them to be, certain Members of Congress may prefer that the budget unveiling be handled in low key fashion with little public attention.

-- If the briefing is to be "live" (not embargoed like last year) and the press is given the budget on the prior Saturday on an embargoed basis (which should be done), they will have had a lot of time to think up more questions, particularly on details. This could take away time from broader issues you may want to emphasize.

Sub-Options - Time.

1a. Evening.

-- A weekday evening press conference, if covered by TV, would get broadest audience.

1b. Morning, Monday or Tuesday (depending again on your schedule preferences).

-- A morning briefing would be deemed budget-oriented but might be easier vis-a-vis getting three network coverage. (Consult Nessen).

Sub-Options - Distribution of the Budget

- 1a. Short lead time for advance embargoed distribution to the press, e.g., distribution the morning preceding an evening Presidential briefing or late afternoon distribution preceding a Presidential briefing the next morning.

Pro:

-- This would minimize the risks of a broken embargo.

-- Since advance press distribution triggers other advance distributions, there will be less time for copies of the budget to be in circulation.

-- Less time for "experts" to develop "nitty gritty" questions which can take time from broader issues.

Con:

-- Traditionally the press has been given more time to study the budget in preparation for the briefing. They will be angered by a short time fuse. (It should be noted that the record of the press in not breaking the embargo -- even with 36 to 48 hour advance distribution -- has been excellent).

- 1b. Traditional 36 to 48 hour lead time for advance, embargoed distribution to the press.

Pro:

-- The press will have adequate time to prepare their copy for release time.

Con:

-- With other distributions triggered by the press distribution, there will be copies of the budget around town well before the Presidential briefing, providing more time potentially for the embargo to be broken.

-- With lead time, the press will be well-prepared and the questioning could involve minutiae.

Whichever sub-option is chosen, other distributions will be triggered by the decision.

- a. Simultaneous to press distribution on an embargoed basis, advance copies would be sent on an embargoed basis to the Congressional Leadership and Committee Chairmen, with the Budget, Appropriations, and Joint Economic Committees receiving extra copies beyond the Chairmen's copy.

- b. Bulk distribution to the Congress would be made shortly before official transmission, e.g., the morning of your press conference (assuming live, not embargoed) if held in morning or late afternoon if evening press conference.
- c. Transition Team: In the spirit of continuing cooperation, it is proposed that the OMB Director-designate be given a limited number of embargoed copies to distribute to the transition team as he deems appropriate. I would be inclined to do this quite early, say a week before.

2. An OMB Director's press briefing

This would be a traditional (excluding last year) press briefing on the budget. It would probably be held Saturday morning, January 15, on an embargoed basis (for release Monday), with official transmittal of the budget scheduled for noon on Monday.

3. No press briefing

Copies of the budget could merely be distributed to the press, with no briefing. This option has not been developed, since too much time and effort has been expended to allow the budget to be unveiled without "interpretation."

Beyond the press briefing, given the constraints of time, it would be my recommendation to minimize the wide-scale briefings which were held last year, unless specific requests are received and decisions are made to comply with them. Nonetheless, some briefings will be in order:

-- The traditional OMB "regulars" breakfast on Saturday or Monday hosted by the Director on an embargoed basis. (The "regulars" are a small group of newsmen whose chief beat is OMB/the budget/and the economy).

-- The Congressional Leadership. It is hoped that this could be hosted by you at a convenient time preceding the press briefing.

-- The transition team. In the spirit of cooperation, it would be my intention to brief the OMB Director-designate, either by himself or with a small group of associates, on both policy and

technical matters at a convenient time preceding the press briefing.

-- Other Congressional briefings. These will be handled on a case by case basis if requests are received. Should the House Republican Conference or the Senate Republican Policy Committee request a briefing, we would endeavor to comply on either January 18 or 19.

-- Assuming you do the briefing, I would suggest that we don't have the full array of Cabinet and agency heads at the briefing this year (just Scowcroft, Cannon, Zarb, OMB people in chairs near to you) but that each agency head be available for full briefing on his or her budget at the agency immediately after your briefing.

III. DECISIONS

A. Press Briefing/who and when:

_____ a Presidential press briefing will be held:

1. _____ Monday evening.
2. _____ Monday morning.
3. _____ Other _____

_____ OMB Director should brief the press.

1. _____ Saturday morning.
2. _____ Monday morning.
3. _____ Other _____

_____ No press briefing at all.

B. Distribution of the Budget

1. Press

_____ press should receive their advance, embargoed copies on shortest possible time fuse preceding press conference (8 to 12 hours).

_____ follow traditional course allowing 36 to 48 hours for distribution of advance, embargoed copies.

2. Others

_____ Proceed traditionally:
Advance press distribution will trigger embargoed distribution to Congressional Leadership and specific Congressional Committees; bulk distribution to Congress can be made the day the budget is officially transmitted. Proceed with OMB Director-designate and transition team as you deem appropriate.

_____ Do not proceed traditionally - additional instructions will be forthcoming.

C. Other Briefings:

_____ I agree with your plans to minimize other briefings. Proceed accordingly.

1. _____ I will host the Congressional Leadership briefing.
2. _____ The OMB Director should brief the Congressional Leadership.
3. _____ There is no need for a Congressional Leadership briefing this year.

_____ Duplicate last year's wide scale briefings - work with appropriate personnel to arrange details.

_____ See me.