



ADMINISTRATIVE CONFERENCE OF THE UNITED STATES

FY 2013 OMB BUDGET JUSTIFICATION

January 30, 2012

I. Overview

For FY 2013, the Administrative Conference of the United States (ACUS) is submitting a full request of \$3.2 million, per OMB's FY 2013 guidance.

The Administrative Conference of the United States is an independent agency that studies federal administrative procedures and processes to recommend improvements to the President, Congress, agencies and the Judicial Conference of the U.S. ACUS is a public-private partnership that brings together senior government officials and private citizens with diverse views and backgrounds to provide nonpartisan expert advice.

After a 15-year hiatus, ACUS resumed operations in April 2010 following the confirmation of the Chairman by the Senate. After a startup period in FY 2010 and FY 2011, ACUS is now fully operating and has commenced an ambitious agenda of research projects and other programs aimed at promoting the unique goals of the agency's enabling statute. These are (1) "to develop recommendations for action" by federal agencies designed to ensure that their responsibilities are "carried out expeditiously in the public interest," (2) to "promote more effective participation and efficiency in the rulemaking process," (3) "to reduce unnecessary litigation in the regulatory process," (4) "to improve the use of science" in that process, and (5) "to improve the effectiveness of laws applicable" to that process. 5 U.S.C. § 591.

A. History of ACUS

Following bipartisan endorsement of the work of two temporary Administrative Conferences during the Eisenhower and Kennedy Administrations, Congress enacted the Administrative Conference Act of 1964 in efforts to identify consensus recommendations for improvement in the administrative processes that, more than ever, affect every sector of our National economy and the lives of American citizens.

From its beginning in 1968 through 1995, ACUS adopted approximately 200 such recommendations, based on careful study and the informed deliberations of its members in an open process that encouraged public input. A complete list of these recommendations was published at 60 Fed. Reg. 56312 (1995). Congress enacted a number of them into law, and agencies and courts have adopted or relied upon many others that resulted in greater government efficiency, increased public participation, and reduced agency costs. ACUS also played a leading role in developing, securing legislation to promote, and providing training in "alternative dispute resolution" (ADR) techniques for eliminating excessive litigation costs and long delays in Federal agency programs, as well as "negotiated rulemaking" processes for consensual resolution of disputes in rulemaking.

In 1995, Congress eliminated funding for the Administrative Conference. In 2004, in response to continued widespread support for the prior work of the agency, Congress reauthorized ACUS, and it extended that reauthorization in 2008.¹

¹ Pub. L. 108-401, 118 Stat. 2255; Pub. L. 110-290, 122 Stat. 2914.

After the Administrative Conference was reauthorized in 2008, initial funding of \$1.5 million was provided in FY 2009 for startup operations. The agency could not begin operations in FY 2009 because the Chairman had not been nominated or confirmed until FY 2010. For this reason, in FY 2010 ACUS again received an appropriation of \$1.5 million, to remain available through FY 2011.

Upon commencing operations in April 2010, ACUS requested and received authority to carry over \$750,000 in unexpended funds from FY 2009 to FY 2010. This provided total resources for FY 2010 of \$2.25 million as the agency began operations, with the authority to carry over unexpended funds to FY 2011.

In FY 2011, the President's budget requested \$3.2 million. Unexpended balances carried over from FY 2010 were approximately \$0.9 million and Congress appropriated an additional \$2.75 million. This provided total resources for FY 2011 of approximately \$3.7 million, with authority to carry over unexpended funds to FY 2012.

B. The FY 2013 Request

Given the constrained budgetary environment, ACUS is submitting a budget that maintains ACUS funding at the level of \$3.2 million for FY 2013, consistent with the President's budgets from FY 2010, 2011, and 2012.

As a small agency, more than two-thirds of the ACUS budget funds relatively fixed costs, including salaries, benefits, rent, and administrative support from GSA. While ACUS has worked to lower its fixed costs, including negotiating a reduction in the administrative support contract with GSA, costs such as rent and benefits continue to increase, even as funding is flat or declining. Now that ACUS has been in full operational mode for more than a year, the agency has more accurate data about spending patterns and what resources the agency needs to accomplish its statutory mission, and has adjusted its request accordingly.

Because approximately two-thirds of the total ACUS budget supports salaries and benefits, the funding request of \$3.2 million would allow for \$325,000 in outside research grants by eliminating three FTE positions for a budget/finance assistant and two administrative assistants. None of these positions has been filled permanently during ACUS's startup phase due to budget uncertainty. When such support is required, ACUS will employ temporary personnel through the GSA Schedules or other contracting mechanism. As other fixed costs increase, ACUS cannot support these permanent positions if the overall budget is flat or declining, without taking funds from higher priorities such as research contracts.

ACUS is also requesting continuation of the two-year funding authority it received during its startup phase. The ability to carry over unexpended funds to the next fiscal year has allowed ACUS to continue its operations during extended continuing resolutions. Two-year funding authority permits the Conference to commit to flexible hiring alternatives to fill key positions

that become vacant. Two-year funding also gives the Conference flexibility in prioritizing research projects that span 18-24 months.

II. Program Description and Justification

The main statutory function of the Administrative Conference is to bring together the public and private sectors to recommend improvements to administrative and regulatory processes. To do so, ACUS identifies problems, commissions research, and proposes solutions, which are then vetted by committees of ACUS's government and public members. Twice a year, the full membership (the "Assembly") meets in plenary session to debate, amend, and formally adopt ACUS recommendations.

A. Strategic Priorities and Goals

To set priorities for the selection of projects, ACUS developed the following mission statement, strategic goals, and vision and values:

ACUS Mission Statement

The Administrative Conference of the United States is a public-private partnership whose membership develops formal recommendations and innovative solutions that make our government work better.

ACUS Strategic Goals

Participation: ACUS will expand citizen participation in the regulatory process through increased use of interactive communications technologies and creative means of outreach, in order to provide essential information to government officials and to inform the public.

Collaboration: ACUS will study and promote the most responsive and efficient means of sharing authority and responsibility among the federal government, state and local governments, contractors, grantees, and citizens. This will include exploration of new models of collaborative governance as well as a more effective division of responsibility between government and the private sector.

Innovation: ACUS will seek new ideas that advance the core values of fairness and efficiency, and will study existing government programs to identify what works, what doesn't, and what's promising. Research will address the use of science, ensuring data quality, and performance evaluation.

Education: ACUS will bring together senior federal officials and outside experts to identify best practices and will advise agencies on revising their rulemaking and hearing processes, technology, and management systems to deliver better results. The Conference will be a central resource for agencies by compiling and publishing data and guidance on solving mutual problems.

ACUS Vision and Values

The Administrative Conference is given the power to “study the *efficiency, adequacy, and fairness* of administrative procedure...” 5 USC § 594.

The work of the Conference is guided by these procedural values, which reflect legal and social science measures of performance.

The *fairness* value derives from law and employs principles embedded in the Administrative Procedure Act and the Due Process Clause of the Constitution.

The *efficiency* value derives from economics and looks at how procedures employed by agencies achieve the public purposes the regulations are intended to serve. The question is whether the agency procedures and management techniques reflect optimum resource allocations, not whether the benefits of the underlying substantive regulations exceed their costs.

The *adequacy* value borrows from the disciplines of psychology and political science and looks at the effectiveness of regulatory techniques from the public’s perspective, including such factors as trust, transparency, and participation.

In many situations, these values must be balanced by the Conference in crafting recommendations, but in no case will they be ignored.

Conference recommendations are based on research reports, typically prepared by academics or other experts under contract with ACUS. Research reports are reviewed by staff and by the Conference committee that will be charged with developing a recommendation for consideration by the entire Conference membership at its semi-annual plenary session. The steps involved in preparing a recommendation are as follows:

1. Gather Ideas: Ideas for Conference projects may come from Congress, other federal agencies, public interest or business organizations, academics and other experts, Conference staff or members of the public.

2. Select Ideas: The Chairman, the Director of Research, and other Conference staff select the best project ideas received, based on a number of factors, including the scope of a problem, its susceptibility to potential solutions, the costs and benefits associated with such solutions, and the quality of expertise available to provide advice and guidance.

3. Council Approval of Projects: For projects that will require funding for study by outside consultants, the Chairman seeks approval from the Council.

4. Selecting a Researcher: The Conference typically engages an expert consultant to do research and prepare a report and proposed recommendations on the topic. Some research

projects are done by the Conference staff. In other cases, the Conference might use a report already prepared by a respected outside researcher or organization. Research solicitations are posted on the ACUS website and other pertinent places to encourage submissions from a variety of sources.

5. Committee Consideration: The report is considered by a committee composed of members of the Administrative Conference, including liaison representatives and senior fellows. The committee debates the report and formulates a recommendation on the subject of the report, often using the researcher's proposed recommendations as a starting point. Depending on the topic, the recommendation may be directed to Congress (recommending new legislation); it may recommend that agencies adopt new rules; it may recommend that agencies change their practices or procedures without the need for rulemaking; it may recommend an Executive Order or a change in executive practices, or it may be directed to the judiciary in its judicial review function. In all cases, Conference recommendations are limited to procedural matters, including agency organization or management, and do not address substantive issues.

6. Council Consideration of Recommendations: The committee's recommendation is received and considered by the Council. The Council may add its own views before transmitting the recommendation to the full Conference membership for action.

7. Consideration by the Assembly: Twice a year, the full membership of the Administrative Conference meets in plenary session and considers and debates the recommendations received from Conference committees. If approved by vote of the full membership, a recommendation becomes an official recommendation of the Administrative Conference.

B. Progress in FY 2010 FY 2011 and FY 2012

In July 2010, the President appointed ten members to serve with the Chairman on the Council of ACUS, which serves essentially as a board of directors for the agency. The Council held its first meeting on August 30, 2010. By the end of FY 2010, ACUS completed the process of recruiting the 90 other government agency and private sector members of the Conference, hiring most of its initial staff of 15, and announcing research projects designed to lead to improvements of the administrative process throughout Executive Branch agencies. During FY2011, the agency's first full year of operation, ACUS undertook a full program of research projects and other programs aimed at discharging the agency's statutory responsibility, resulting in the adoption of five Conference recommendations.

The initial projects adopted as Conference recommendations during FY 2011 and the first quarter of FY 2012:

- ***Recommendation 2010-1 Regulatory Preemption*** addresses agency procedures for determining whether to preempt state law. The recommendation presents best practices by federal agencies in implementing the requirements of Executive Order 13132 and the President's May 2009 memorandum governing agency preemption of state law, including

procedures for securing meaningful participation by state and local government officials in the process of considering questions of federal preemption.

- ***Recommendation 2011-1 Legal Considerations in e-Rulemaking*** addresses legal issues associated with e-rulemaking and recommends best practices in dealing with them. These include whether agencies can require electronic filing, how they should address copyright and privacy concerns, whether and under what framework they can solicit comments through social media, and whether any amendments to the Administrative Procedure Act would be appropriate to address such issues.
- ***Recommendation 2011-2 Rulemaking Comments*** suggests certain best practices for agencies to consider in conducting the “comment” aspect of traditional notice-and-comment rulemaking under the Administrative Procedure Act. The recommendation addresses a possible minimum period for comments, standards for extension of the comment period, availability of comments to the public and provision for reply comments, whether agency delay may require updated comment periods, and the circumstances warranting confidentiality of material filed in public comments.
- ***Recommendation 2011-3 Government Contractor Ethics*** asks the Federal Acquisition Regulation Council to adopt revisions regarding compliance standards for government contractor employees relating to personal conflicts of interest and use of certain non-public information.
- ***Recommendation 2011-4 Video Hearings*** recommends best practices for the use of video hearings by federal government agencies with high volume case loads as a means of reducing caseload backlog and conducting more efficient adjudication.
- ***Recommendation 2011-5 Incorporation by Reference*** deals with ways in which agencies publish rules that refer to standards or other materials that have been published elsewhere. The recommendation proposes ways to ensure that materials subject to incorporation by reference are reasonably available to the regulated community and other interested parties, to update regulations that incorporate by reference, and to navigate procedural requirements and drafting difficulties when incorporating by reference.
- ***Recommendation 2011-6 International Regulatory Cooperation*** was based on in-house research that updates ACUS Recommendation 91-1, which provided guidance for all U.S. regulatory agencies on working with their international counterparts. The update incorporates developments in United States government structure, trade agreements, and technology since the recommendation was adopted 20 years ago.
- ***Recommendation 2011-7 FACA in the 21st Century*** offers proposals to Congress, the General Services Administration, and agencies that use advisory committees, to alleviate certain procedural burdens associated with the existing regime, clarify the scope of the Act, and enhance the transparency and objectivity of the advisory committee process.

- **Recommendation 2011-8 Agency Innovations in e-Rulemaking** suggests ways in which agency innovations and best practices can engage the public in rulemaking activities at low cost to the government.

C. Projects Underway for FY 2012 and FY 2013

Projects actively under study and expected to lead to recommendations in FY 2012 or FY 2013 include:

- **Congressional Review Act.** This project studies the CRA and potential improvements to its procedures for Congressional review of agency regulations. It will analyze the strengths and weaknesses of the CRA and compare it to other possible mechanisms for Congressional review of agency rules (e.g., the proposed REINS Act). The project will also consider potential improvements to the CRA, which might be accomplished, for example, by amending the CRA, modifying House or Senate rules applicable to the Act, or altering Congressional practices with respect to the CRA. Morton Rosenberg, a former Specialist in American Public Law with the American Law Division of the Congressional Research Service, is the consultant on the project.
- **Government in the Sunshine Act.** A reexamination of potential reforms to the Government in the Sunshine Act, 5 USC 552b, identified in a 1995 report of an ACUS committee but left unaddressed because of the elimination of funding for the agency. The question is whether the Act has had the unintended effect of discouraging collaborative deliberations and encouraging escape devices (such as “notation voting”) by multimember boards and commissions, and if so whether there are mechanisms that might effectively address these problems while preserving the transparency goals of the statute. The consultant for this study is Bernard Bell, Professor of Law, Rutgers-Newark Law School.
- **Immigration Adjudication.** A review of the system of processing immigration cases to examine potential barriers to representation, possible improvements in case management practices at the Executive Office for Immigration Review, and the potential for video conferencing to enhance efficiency in adjudicating these disputes. Lenni Benson, Professor of Law at New York University, and Russell Wheeler, Visiting Fellow of Governance Studies at the Brookings Institution, are serving as consultants for this project.
- **Methods of Collaborative Governance.** In coordination with the Department of Justice, this study will review the state of alternative dispute resolution (ADR), negotiated rulemaking, and other “collaborative governance” approaches and techniques following 1995, when ACUS ceased performing its statutory facilitation role for these efforts to streamline agency decisionmaking. Recent research indicates that the number of negotiated rulemaking committees, for example, has decreased substantially.²

² Lubbers, *Achieving Policymaking Consensus: The (Unfortunate) Waning of Negotiated Rulemaking*, 49 S. Tex. L. Rev. 987 (2008).

- **Midnight Rules.** In the last three months of a presidential administration, rulemaking activity increases considerably when compared to the same period in a non-transition year. Both the House Judiciary Committee’s Subcommittee on Commercial and Administrative Law and the American Bar Association Section on Administrative Law and Regulatory Practice have suggested the topic of midnight rules as suitable for study by the Administrative Conference. The Administrative Conference has selected Prof. Jack Beermann of Boston University Law School to serve as consultant on this project.
- **Paperwork Reduction Act.** The Conference is conducting a comprehensive study of the Paperwork Reduction Act to recommend potential improvements. Specifically, the Conference will study issues pertaining to cost/benefit, efficiency, adaption to new technologies, and information collection criteria. Prof. Stuart Shapiro of Rutgers University has been selected the research consultant for this project.
- **Review of Regulatory Analysis Requirements.** The Conference is conducting a comprehensive study of regulatory analysis requirements to recommend potential improvements. In particular, the Conference will study how the goals of the various analysis requirements can be achieved more efficiently to minimize burdens on federal agencies without compromising important public transparency goals. Dr. Curtis Copeland, formerly a researcher at GAO and CRS, is serving as the research consultant on the project.
- **Science in the Regulatory Process.** This study explores potential improvements to processes for the use of science by administrative agencies, to include selection and use of science advisory panels, the operation of the Information Quality Act in practice, best practices in complying with OMB’s Peer Review Bulletin, and the effect of judicial standards in civil litigation on the work of administrative agencies. Wendy E. Wagner of the University of Texas Law School is serving as consultant for this project.
- **Weeding out Purposeless Procedural Traps.** ACUS is currently engaged in a project aimed at identifying and recommending ways to eliminate purposeless procedural rules that result in the non-merits-based dismissal of claims by or against the federal government. The Conference has identified 28 U.S.C. § 1500, which regulates the jurisdiction of the United States Court of Federal Claims, as its first object of study for this project.

In addition to projects that lead to formal recommendations, ACUS is pursuing broader projects that advance the Conference’s statutory mission and strategic goals.

The Conference has engaged in an initiative, the Model Agency Project, designed to help establish and identify model practices for federal agencies—both large and small, and both new and established. The idea is to utilize all of the resources and expertise of the Conference to help agencies become model 21st century agencies, driven by innovation and the adoption of best practices.

The project Advisory Board is composed of general counsels and executives from agencies, including George Madison (Department of Treasury), Ivan Fong (DHS), David Horowitz (HHS), Preeta Bansal (formerly of OMB), Len Kennedy (Consumer Financial Protection Bureau), and Shawne McGibbon (ACUS). This group of executives conceived the project and supports this intergovernmental effort to share best practices regarding administrative processes, policies and ethics systems.

To help agencies become model 21st century agencies, driven by innovation and the adoption of best practices, ACUS developed a micro-site (www.acus.gov/best-practices) to feature user-submitted best practices, success stories, lessons learned and resources. In addition to using the website and conducting outreach with agencies to engage stakeholders, the Conference will share ideas via articles and workshops, and will celebrate innovation with the annual Walter Gellhorn Innovation award at the ACUS plenary session held in December.

A principal program activity for ACUS in FY 2013 will include necessary follow up on, or continuation of, these research projects and programs and implementation of any recommendations resulting therefrom, and (with the approval of the Council) initiation of other projects that are designed to improve the fairness and effectiveness of procedures by which Executive Branch agencies administer regulatory, benefit, and other Federal Government programs. In past years, ACUS has issued an average of 8 to 10 recommendations each year, and at any one time has had pending from 20 to 30 separate research projects.

III. Budget Status and Request

A. Proposed Appropriations Language for FY 2013

Administrative Conference of the United States

Salaries and Expenses

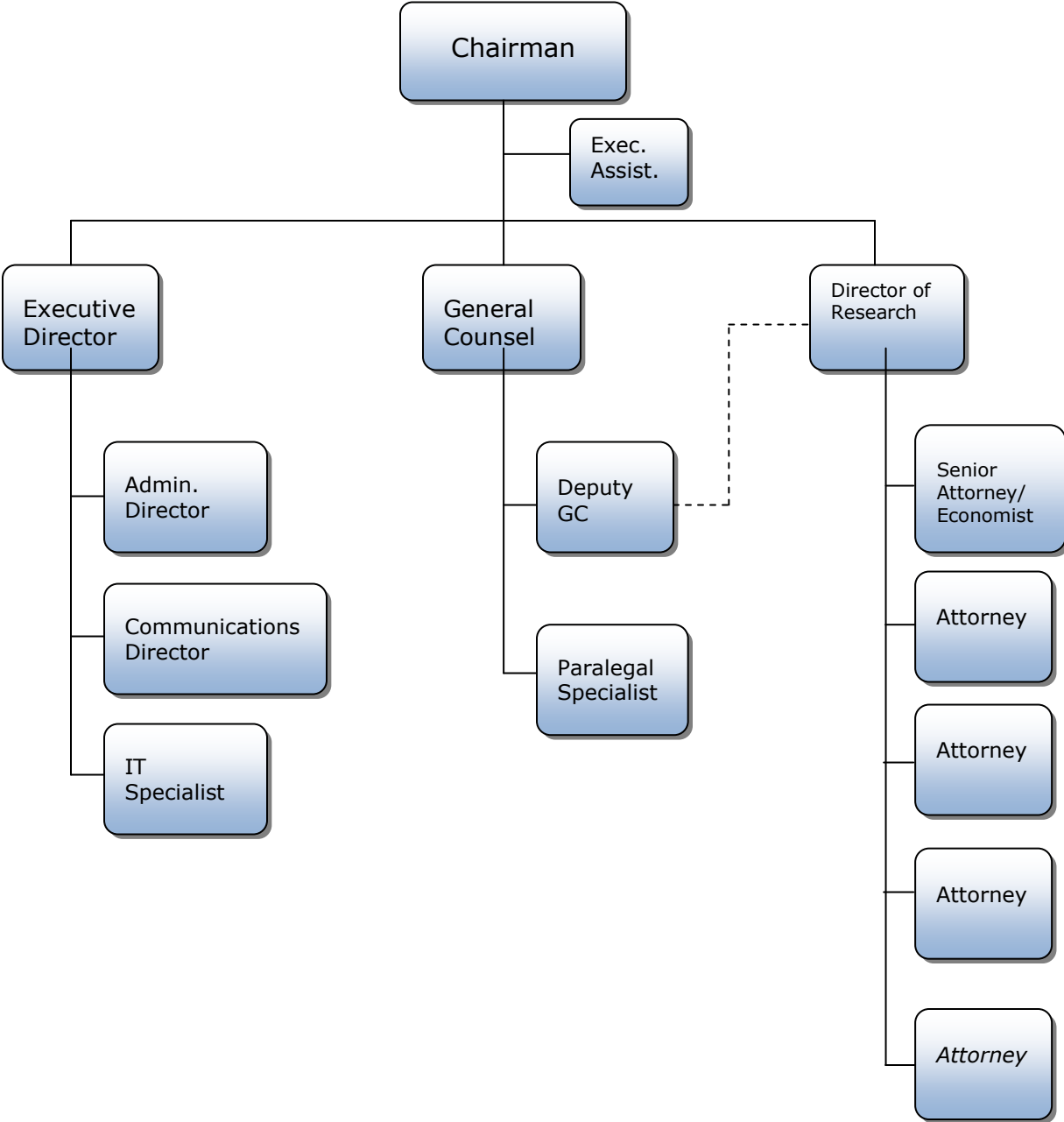
For necessary expenses of the Administrative Conference of the United States, authorized by 5 U.S.C. 591 et seq., [\$2,900,000]\$3,200,000 to remain available until September 30, [2013]2014, of which not to exceed \$1,000 is for official reception and representation expenses.

B. Budget Authority and Staffing by Activity

Salaries and Expenses

	FY 2012 President's Budget	FY 2012 Enacted Budget	FY 2013 Request
Budget Authority	\$3,200,000	\$2,900,000	\$3,200,000
FTE	18	18	15

ADMINISTRATIVE CONFERENCE OF THE UNITED STATES



NARRATIVE JUSTIFICATION

The appropriation request for the Administrative Conference of the United States for FY 2013 is \$3,200,000. A detailed breakdown and justification for this request follows, including an application of OMB's FY 2013 budget guidance provided in OMB Circular A-11 (Updated August 2011).

AGENCY PERSONNEL (Object Classes 11 and 13)

For FY 2013, ACUS requests 15.0 FTEs. This includes the Chairman (Presidentially-appointed with Senate confirmation) and 12 permanent employees included under Object Class 11, as well as 2 positions which may be filled under the Intergovernmental Personnel Act or other reimbursable arrangement and included in the budget request under Object Class 25. The staff of the Administrative Conference supports the 101 Members of the Conference.

The Executive Director provides executive leadership, planning, direction, and coordination for all ACUS operations and administrative activities, including recruiting and managing the ACUS staff and administering the daily operations of ACUS. The Executive Director provides managerial expertise and staff support to the ACUS Chairman and Council in developing the agency's strategic planning and direction and implementing activities essential to ensuring that ACUS continues to meet its statutory mission. The Executive Director develops performance, financial and organizational staffing plans, in accordance with applicable legislation and regulations. The Executive Director provides managerial oversight for ACUS publications and products, including the ACUS website, and administers congressional, public and media communications and strategies for ACUS. The Executive Director assesses the overall effectiveness, efficiency, and productivity of ACUS operations.

The General Counsel serves as the chief legal officer for ACUS and provides legal advice and counsel to the agency and its staff on a wide variety of legal matters. The General Counsel is responsible for ensuring that ACUS meets all federal legal and regulatory requirements, including compliance with the Administrative Conference Act and the Federal Advisory Committee Act, which govern operations of the ACUS Assembly and its committees, as well as all other federal statutes governing the operation of Executive Branch agencies. These include federal conflict of interest statutes and other standards of conduct for government employees, financial disclosure requirements for staff and Conference members pursuant to the Ethics in Government Act of 1978, Freedom of Information Act obligations, and Federal Records Act responsibilities. The General Counsel provides guidance to staff, including review of agency rules, contracts, and cooperative agreements to ensure compliance and to protect the interests of the agency. The General Counsel reviews and comments on proposed legislation and responds to congressional inquiries and requests to ACUS. The General Counsel is a member of the ACUS management team, assists with strategic planning, and may represent the interests of ACUS in meetings of bar associations and other organizations engaged in activities that will enhance the agency's research and implementation programs.

The Director of Research is responsible for running ACUS's research program and developing the agency's policy recommendations. This includes keeping abreast of issues and developments in administrative law and practice, identifying and prioritizing issues to be studied, obtaining consultants to carry out the research, and reviewing research reports to ensure that the work is accurate, thorough, and meets the highest quality standards. The Director manages the work of ACUS staff attorneys and has general oversight of the work carried out by ACUS committees to develop recommendations based on consultants' reports. The Director presents recommendations and plans for research topics and reports to the ACUS Chairman and Council, and works with them to identify areas for potential study. In coordination with the Executive Director and the Communications Director, the Director develops background and briefing materials that serve as resources for ACUS communications with all three branches of the Federal Government, the media, and other ACUS stakeholders. When the agency resumed operations in the middle of FY 2010, this position was filled under the Intergovernmental Personnel Act with a law professor from George Washington University, and was budgeted as an administrative contract under Object Class 25, rather than an employee under Object Class 11. Since the IPA contract concluded in December 2011, ACUS is in the process of identifying candidates to serve as Director of Research. The Director position may be filled via IPA or direct hire, and the FY 2013 budget assumes that cost remains comparable to the existing agreement.

The bulk of the ACUS professional staff comprises six positions, whose responsibilities include serving as staff counsels for each of the six ACUS committees. These staff counsels are responsible for managing the work of committees composed of ACUS members, in the process of developing recommendations for consideration by the full membership of ACUS. This includes reviewing research studies for projects assigned to the committees, assisting the committee chairmen and the Director of Research and Policy in drafting proposed recommendations, responding to requests for information about committee activities, reviewing and summarizing public comments and, in general, providing procedural and legal oversight for the work of the committees. Staff attorneys may also participate substantially in helping to achieve implementation of ACUS recommendations, and provide assistance as needed for the work of the General Counsel.

These six positions are currently allotted as a Deputy General Counsel, Senior Attorney/Economist, and four Attorney-Advisors, each of which is a permanent, full-time position. The Senior Attorney/Economist position may be filled by a detailee from another federal agency, a Presidential Management Fellow, or an attorney or social scientist on leave from an academic institution. To allow flexibility, this sixth position is budgeted as an administrative contract under Object Class 25, rather than an employee under Object Class 11.

The Communications Director is responsible for managing the agency's communications program, including development of its use of new media and evolving technologies (such as cloud computing) for more effective involvement of the ACUS government and public members and the public in the work of the Conference. The Communications Director is responsible for the Conference's publications program and serves as the main point of contact for a wide variety of media to ensure that agency activities and viewpoints and recommendations adopted by the

Conference are communicated clearly and positively. An Information Technology Specialist is also funded, to support both internal and external communications, including technical support, website development and maintenance, and teleconferencing.

The Administrative Director oversees and coordinates all administrative and operational management and support services for ACUS and serves as an advisor and assistant to the management staff on administrative policy and procedural matters. This work includes management analysis, budgeting, financial management, procurement and contracting, and other related administrative and operational activities.

The authorized staff also includes an Executive Assistant supporting the Chairman and a Paralegal Specialist supporting the Conference members and staff. These positions provide legal research and administrative support for the ACUS staff and the 45 Conference members (40 public members plus 5 Council members) from outside the government, who serve ACUS without compensation.

As discussed above, the FY 2013 budget request eliminates three FTEs for a budget/finance assistant and two administrative assistants that were included in previous budget requests, but have not been filled during ACUS's startup phase due to budget uncertainty. As other fixed costs increase, ACUS cannot support these positions if the overall budget is flat or declining, without taking funds from higher priorities such as research contracts.

For FY 2013, ACUS requests a budget of **\$1,583,523** for salary expenses associated with full-time employees (Object Class 11). This amount represents the projected cost for a total of 13 full-time positions including annual civil service cost-of-living salary increases and step increases. As noted above, the positions of Director of Research and Senior Attorney/Economist are funded as contract positions and are budgeted under Object Class 25.

A total of **\$411,716** is budgeted for personnel benefits during FY 2013 (Object Class 12). Personnel benefits are a direct function of the amount of budgeted salary/wages and inclusive of transit subsidy.

RESEARCH, CONSULTING, AND PROFESSIONAL SERVICES (Object Class 25)

As discussed in the introductory section above, the research and policy work of the Administrative Conference is most frequently pursued through contracts with law professors or other experts to study a particular problem in depth and report back to ACUS and its committees on their findings, which serve as the basis on which ACUS members develop recommendations for procedural improvements. ACUS's research activities are at the core of the agency's ability to analyze issues and develop proposed recommendations through the ACUS committee consensus process, with the ultimate aim of improving the fairness and effectiveness of the rulemaking, adjudication, licensing, and investigative functions by which federal agencies carry out their programs. The Administrative Conference uses acquisition procedures that provide high value and low risk to the government. ACUS research contracts are generally competitive, fixed-price contracts with recognized experts in their respective fields.

The typical research contract awarded by ACUS, including expenses for research assistance and consultant travel, is approximately \$20,000. These relatively modest contracts allow the federal government to call on the expertise of experts in academia and the private bar, many of whom would bill private clients at several multiples of the effective hourly rate the government is paying.

In FY 2013, ACUS is requesting **\$325,000** in funding for research contracts (Object Class 25). This funding will allow ACUS to undertake a research program of new projects directed toward the Conference's statutory mission to study and cooperatively seek solutions to issues and problems arising in the administration of federal agency programs. The number of projects is dependent on the funding level, which enables the Conference to pursue the projects described in the performance section above, including projects undertaken at the request of Congress.

In addition to research contracts, ACUS requests **\$490,008** for administrative support contracts. Of this amount, \$325,000 is for contract personnel and professional services, and \$165,008 is for external administrative support.

As discussed above in the section on personnel, ACUS may fund two positions as contract positions instead of full time permanent employees to give the agency flexibility to match expertise with current projects and rotate experts from academia, nonprofits, or other federal agencies to provide fresh and innovative thinking to the Conference. In FY 2013, ACUS is requesting \$325,000 to fund both positions.

As a small agency, ACUS must contract with multiple agencies or private vendors for many of the services typically performed in-house by staff at larger agencies. These contracts cover items such as personnel, payroll, finance, accounting, information technology, Web hosting, mailing services and auditing. For FY 2013, ACUS requests \$165,008 for external administrative support. This is a reduction from the budget request for this category in previous years. As part of the Conference's start-up operations, ACUS reviewed the most cost-effective strategies for contracting for administrative support, including using reimbursable services offered by other federal agencies, GSA schedules, and cloud computing solutions, and found more cost-effective ways to provide the needed administrative support.

SUPPORT AND INFRASTRUCTURE **(Object Classes 21, 23, 24 and 26)**

Travel by Conference members and staff is budgeted at **\$35,000** for FY 2013 (Object Class 21). This is a reduction from previous budget requests, and is based on actual travel expenses from the Conference's first year of operations. Most of these travel expenses involve the travel of out-of-town members of the Conference to Council, committee, and plenary session meetings. Conference members, other than the Chairman, serve without pay and are only reimbursed for travel and per diem, pursuant to 5 USC § 593(c) and 5 USC § 5703. To the extent practicable, the Conference will use videoconferencing and Web 2.0 technologies to

minimize travel expenses for Conference members at the committee meetings. In addition, some staff members will travel to conduct research or, as required, participate in various professional meetings and conferences.

ACUS has negotiated a lease to occupy office space at 1120 20th Street, NW, Suite 706 South, Washington, D.C. 20036. Leasing arrangements are coordinated for ACUS through the Building Services Division of the General Services Administration. During FY 2013 ACUS will be responsible for **\$290,538** in rental payments through its lease, based on estimates set forth in the agency's Occupancy Agreement with GSA (Object Class 23).

ACUS's budget includes an estimated **\$38,905** for electronic communications expenses, including telephone service and website hosting during FY 2013 (Object Class 23). This estimate is based on ACUS's historical usage during the agency's first full year of operation. This estimate also accounts for the natural growth in ACUS's electronic records and online presence that will require incremental scaling-up of data storage and processing capacity. This amount also includes the cost of conference calls for Council and other meetings, which is a much more cost-effective method for conducting interim business than face-to-face meetings.

ACUS has budgeted **\$8,000** in FY 2013 for printing costs (Object Class 24). These costs include preparing and printing annual and interim reports to Congress and the President, reports, newsletters and other necessary publications.

ACUS's budget includes **\$8,000** for the purchase of supplies, materials and publications for FY 2013 (Object Class 26). The amount includes supplies for mailing, copying, and ordinary office supplies such as paper, pens, and pencils. Also budgeted are funds for the purchase of computer software, library materials, and for subscriptions to relevant technical, and policy-oriented publications and online services.

IV. Conclusion

For FY 2013, the Administrative Conference of the United States (ACUS) submits a budget request of \$3,200,000. This level of funding will allow ACUS to pursue a full program of research projects and other programs aimed at discharging the agency's statutory responsibilities. This level of funding will also allow ACUS to pursue a robust research program that will help improve and reform government procedures. Such reforms will be designed to enhance fairness, efficiency, expedition, and public participation in the work of federal Executive Branch agencies, given their substantial impact on all sectors of the National economy and on the lives of all of our citizens.