



# BULLETIN

FEDERAL MEDIATION AND CONCILIATION SERVICE

*Handwritten signature and initials*

**SUBJECT:** Presidential Budget  
Review Procedures

**No. :** 81-BUL-141

**Date:** August 25, 1981

**To:** Regional and National Office Directors  
**From:** Kenneth E. Moffett  
Acting Director

Attached for your information is a copy of a recent Memorandum from President Reagan to agency heads, subject "Budget Review Procedures."

Two key items in the President's Memorandum are:

1. The establishment of a Budget Review Board consisting of Presidential Counselor Edwin Meese, White House Chief of Staff James Baker, and OMB Director David Stockman.
2. The requirement for agency heads to report promptly to the Budget Review Board any situation, decision, or impending emergency which could lead to unbudgeted expenditures or to an increase in budgeted allocations.

Attachment

THE WHITE HOUSE

WASHINGTON

July 13, 1981

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Budget Review Procedures

Historically the budget process has been an annual cycle with the Executive Branch proposing early in the year and the Congress disposing during the rest of the year. More recently the budget process has changed. It is now a complex year-round process which involves virtually continuous adjustment.

For example, right now we have pending a second round of rescissions and deferrals for FY 81 and a Reconciliation Bill for FY 82. We have simultaneously begun the Spring Review which leads to our budget marks for FY 83.

The Mid-session report on the budget just released shows that our overall position has not significantly changed. However, this small overall net change obscures the many program level budget threats which have developed and the increased strain they place on our abilities to make our overall budgetary objectives. We cannot make any decisions -- foreign, domestic or defense -- unless their budgetary impact is fully considered.

Because of the need to evaluate the budget continuously, I have established a Budget Review Board composed of Ed Meese, Jim Baker and Dave Stockman.

Any situation, decision or impending emergency, which you feel could lead to unbudgeted expenditures or to an increase in budgeted allocations must be reported promptly to the Budget Review Board. Authorization from the Budget Review Board must be obtained prior to incurring or obligating any such expenditure or increase.

Once I have set a budget projection, each of you must extend every effort to make sure we achieve that projection. It should be clear that achieving our budget objectives is something that must be a personal priority of each of us.

Bringing federal spending under control and keeping it there is our most urgent priority. This is the only way we will be able to achieve our objective of giving the American people the strong, healthy economy which they demanded in last fall's election, and it is the fundamental precondition for achieving many of the other important objectives that we have established to restore our Nation at home and abroad.

Ronald Reagan