United States
CONSUMER PRODUCT SAFETY COMMISSION
Washington, D.C. 20207

CPSC/OFFICE OF THE SECRETARY
1998 DEC 18 P 2:05

BALLOT VOTE SHEET

DATE: December 18, 1998

TO : The Commission
Sadye E. Dunn, Secretary

FROM : Jeffrey S. Bromme, General Counsel

SUBJECT: Proposed Revision to FY 2000 Budget Request

BALLOT VOTE DUE: DEC 22, 1998

The Executive Director, in the attached memorandum dated December 18, 1998, recommends a proposed revision to the FY 2000 budget request.

Please indicate your vote on the following options:

I. APPROVE THE REVISED 2000 BUDGET REQUEST AS PROPOSED

(Signature) (Date)

II. APPROVE THE REVISED 2000 BUDGET REQUEST WITH SPECIFIED CHANGES

(Signature) (Date)

NOTE: This document has not been reviewed or accepted by the Commission,
Initial TLh Date 12/18/98

CPSA 6 (b)(1) Cleared
X No Mfrs/PrvtLblrs or Products Identified
12-18-98

III. DO NOT APPROVE THE REVISED 2000 BUDGET REQUEST

_____ _____
(Signature) (Date)

IV. TAKE OTHER ACTION (please specify).

_____ _____
(Signature) (Date)

Attachment

United States
Consumer Product Safety Commission
Washington, D.C. 20207

Office of the Executive Director

MEMORANDUM

DATE: December 18, 1998

TO: The Commission

FROM: Pamela Gilbert PG
Executive Director

SUBJECT: Revision of FY 2000 Budget Request

This memorandum requests Commission approval to revise the FY 2000 Commission budget request to match the funding level set by the Office of Management and Budget (OMB). The new level is $50.5 million. The increase of $3.5 million reflects strong support for the work of CPSC by OMB and the Administration. OMB did not designate an FTE level for CPSC in FY 2000. This proposed budget assumes an FTE level of 480.

In FY 2000, CPSC faces $2,145,000 in mandated cost increases. These mandated costs include $2,019,000 for increased pay costs proposed by the President for FY 2000 and $126,000 for increased space rent costs imposed by the General Services Administration. Funding these increases will keep our safety program functioning at current levels.

After funding these mandatory costs, $1,355,000 remains for new initiatives. In addition, we propose that the Commission reallocate $500,000 that is being spent on an upholstered furniture study in FY1999 to new initiatives in FY2000. This brings the total for new initiatives to $1,855,000.

New Initiatives

To develop this budget proposal, the staff and I reviewed current CPSC programs and changes that have occurred since last summer when the Commission approved the original FY 2000 request. We believe the proposal advances CPSC's safety program while staying within the level set by OMB.

Proposed Initiatives include:

1. Research - We propose that the Commission allocate $1 million for consumer product safety research. (The original request was $5 million.) This funding will

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establish a program of applied product safety research at CPSC. This new program will provide CPSC with the same capabilities that other Federal health and safety agencies already have to reduce deaths, injuries and illnesses from hazards within their jurisdictions.

The staff will continue developing its research project activities during FY 1999. The staff will provide a list of candidate projects and its recommendations to the Commission as part of the FY 2000 operating plan. The recommendations will include the staff's recommendation regarding whether additional FTEs are needed to carry out the research program. (The original request asked for an additional 12 FTEs.)

2. Laboratory Testing Equipment - We propose $50,000 (the original request was $100,000) to increase the agency's ability to replace aging testing equipment at our lab. Laboratory work supports both the standards development and compliance work of the agency.

3. Standards Development Support - We propose $27,000 for travel to support standards development work. This brings the agency's travel budget for standards work to the level we spent in the past two years. We also propose $4,000 to purchase technical reference material. (Same as original budget request.)

4. Compliance Investigation and Litigation Support - We propose $44,000 for travel (an increase of $24,000 over the original request), $19,000 for product safety assessments, and $8,000 for field activities in support of agency investigation and litigation efforts.

5. ATV Monitoring - We propose $50,000 to monitor the new ATV industry safety program. (Same as original budget request.)

6. Pediatrician Outreach - We propose $35,000 to disseminate CPSC's safety alerts and recall messages to pediatricians across the country. (Same as original budget request.)

7. Hotline Improvements - We propose $106,000 to expand the operating hours of the Hotline and improve the process for ordering publications. The portion of the original request to replace aging software and equipment was funded in FY 1999.

8. Video News Release - We propose $12,000 to fund one additional video news release. (Same as original budget request.)

9. Information Technology - Of the original $2.2 million request, we propose that the Commission spend $500,000 to integrate the agency's databases. Staff recommends deferring the purchase of new computer equipment and applications because of the great progress we made modernizing the agency's computer equipment in FY 1998. Staff believes, however, that in FY 2001 we should renew our efforts to establish a permanent three-year equipment replacement program.

10. Staff Development - We do not propose additional funds for staff development programs at this time. However, we anticipate that opportunities will arise within the FY1999 and 2000 operating plans to fund many of these programs. The OSHA safety requirement was funded in FY 1999.

11. Initiatives not funded - We recommend not funding the Product Population Model at this time. We will attempt to fund this project in either the FY 1999 or 2000 Operating Plans. We also recommend against funding the Smoke Detector Campaign because it duplicates work that the U.S. Fire Administration is undertaking in FY 1999. We also would not fund the additional support for the Information Center and Internet Website. Staff will seek other opportunities to fund this increased support in the FY 1999 or 2000 operating plans.

I have attached a chart that reflects the proposed revisions to the Commission's original FY 2000 request.

I recommend this plan because it represents a balanced approach to implementing Commission priorities. I request your approval of this plan by January 5 or sooner so that staff can prepare final numbers, which are due to OMB by January 8. The President's budget and our budget documents are due to the Congress on February 1. The staff will revise the budget document and the related Results Act performance plan in the next few weeks and provide you an opportunity to review both documents.

If you have any questions, please call me (ext. 2342) or Ed Quist (ext. 2240).

Thank you.

Attachment

OMB BUDGET MARK FOR 2000
Summary of Changes, 1999 to 2000
(dollars in thousands)

	Request Amount	Proposal Amount	Comments
1999 APPROPRIATION	**$46,500**	**$47,000**	
Congressional Addition	500	-500	Reprogrammed to research initiative under HAR
1999 REVISED APPROPRIATION	**$47,000**	**$46,500**	
ADJUSTMENTS TO 1999 APPROPRIATION BASE:			
Cost Increases - To maintain current services in 2000:			
Statutory pay and benefit increases	2,019	2,019	
Non-compensation related inflation increases	157	-0-	Reestimate; fund as need arises during operating plan
GSA space rent increases for office space	126	126	
1999 CURRENT SERVICES LEVEL (for all programs)	**$49,302**	**$48,645**	
CRITICAL INVESTMENTS:			
Hazard Identification and Analysis:			
Economic Studies - update Product Population Model ($185)	185	-0-	Possible to fund in 1999 operating plan
Hazard Assessment and Reduction:			
Research Initiative - supports all hazard work	5,000	1,000	Includes $500 reprogramming; decide research projects during operating plan
Laboratory and Program Support - laboratory equipment	100	50	Fund half of request; Supplement with 1999/2000 operating plan funds
Standards development support in all hazard areas - travel ($27); technical reference material ($4)	31	31	
Compliance:			
Investigation and litigation support in all hazard areas - contracts ($300); travel ($20); product safety assessment ($19); field services ($8)	347	71	Handle contract needs on case-by-case basis during operating plan; add $24 for compliance travel to original request
State and local funding - mechanical hazards - ATV monitoring	50	50	

Consumer Information:			
Smoke detector campaign	50	-0-	Duplicates US Fire Administration initiative
Pediatricians outreach	35	35	
Hotline - expanded hours/improved public access to publications/software-equipment replacement	258	106	Expanded hours/improved publication access: Software/equipment funded in 1999
Information Center/Internet Website support	25	-0-	Supplement with 1999/2000 operating plan funds
Additional video news release	12	12	
Information Technology (for all programs):			
Integrated database	660	500	Supplement with 1999/2000 operating plan funds
Establish maintenance program	1,159	-0-	1998 funding reduced need; defer one year
New applications	327	-0-	1998 funding reduced need; defer one year
Staff Development (for all programs):			
Training - increase training opportunities to 60% of need	175	-0-	Supplement with 1999/2000 operating plan funds
Development of human resources management policies	36	-0-	Supplement with 1999/2000 operating plan funds
Facilities Management - begin maintenance for headquarters staff offices	20	-0-	Supplement with 1999/2000 operating plan funds
OSHA Safety - to meet staff safety requirement in laboratory	5	-0-	Funded in 1999
Subtotal, Critical Investments	**$8,475**	**$1,855**	
2000 RECOMMENDATION	**$57,777**	**$50,500**	
TOTAL INCREASE OVER REVISED 1999 APPROPRIATION	**$10,777**	**$3,500**	