UNITED STATES
CONSUMER PRODUCT SAFETY COMMISSION
WASHINGTON, DC 20207

CPSC/OFFICE OF THE SECRETARY

1999 NOV -5 A 11: 29

Memorandum

Date: November 5, 1999

TO : The Commission

THROUGH: Sadye E. Dunn, Secretary
Jeffery S. Bromme, General Counsel

FROM : Pamela Gilbert
Executive Director

SUBJECT : Fiscal Year 2000 Operating Plan

This memorandum requests Commission approval of the 2000 operating plan. The proposed operating plan adjusts the agency's activities in the President's 2000 budget request to reflect Congressional action and Commission decisions or changes occurring in programs or projects since the development of the 2000 budget request last February.

Overview

The starting points for the development of the 2000 plan were our 2000 budget request and what we actually spent in 1999. Our appropriation, as approved by the Congress and the President, is $49 million. This funding is $2 million more than 1999 but $1.5 million less than we requested. All of this increase is needed to fund annual increases in salaries and space rent. To fully meet our projected salary commitments, we must add funds ($322,000) to our salary budget.

As a result of the appropriation, we recommend deleting some of the more expensive initiatives proposed for 2000. The most notable of these are the Hazard Research and Integrated Database initiatives. We do recommend funding some of the smaller initiatives – these are discussed under the activity/project changes summaries.

In order to make room for the salary additions and fund some new initiatives, staff has carefully reviewed our budget allocations. We have constructed a plan that, at a minimum, allows us to continue our safety work at 1999 levels. For example, the staff has the same travel and operating funds as spent last year.

Our employment is currently about 5 below our funded employment ceiling of 480. Despite having 56 departures last year, with many retirements, we hired 74 new employees. I am pleased to report that we should reach our goal of 480 in 2000. With a fully staffed agency, we should be able to accomplish many important safety initiatives, despite the fact that we did not receive our full budget request.

NOTE: This document has not been reviewed or accepted by the Commission.
Initial hl **Date** 11/5/99

CPSA 6 (b)(1) Cleared
11/5/99
No Mfrs/PrvtLblrs or Products Identified

Activity/Project Changes

The major proposed changes to Commission activities and projects are described below.

Hazard Identification and Analysis (HIA). There are no substantial changes from the 2000 request. Work will continue to collect death and injury data, investigate incidents, research emerging hazards, and conduct economic studies in support of hazard reduction efforts. We have been able to reduce planned spending by $50,000 while matching last year's level of effort.

The start of the All-Trauma NEISS system, to be funded by the Centers for Disease Control and Prevention (CDC), is on hold until CDC funding is resolved. We have plans to implement this effort once the funding is known.

We reassigned staff time equaling two FTEs from HIA work to provide greater technical support to the Hazard Assessment and Reduction program. This FTE change will not affect the HIA program's planned work.

Research. We recommend that the agency defer this new initiative until it can be adequately funded at some future time.

Hazard Assessment and Reduction (HAR). HAR will operate at the same level as last year with these additions and modifications:

Children's Products:

- Baby Walkers -- Staff plans to complete an assessment of conformance with the voluntary standard and prepare a briefing package for Commission consideration.

- Bunk Beds – We added staff time to complete the briefing package responding to the NPR comments.

- Dive Sticks -- This activity is added. Staff will prepare a briefing package with a proposed rule for Commission consideration.

Fire and Electrocution Hazards:

- Multi-purpose Lighters -- Staff expected to complete multi-purpose lighters in 1999, but needed additional time to conduct studies to respond to comments received on the NPR. Staff expects a Commission decision on a final rule in 2000.

- General Wearing Apparel and Textile Standards– We planned to complete this activity in 1999, but it was delayed due to work on sleepwear. In 2000, staff will prepare briefing packages to update home laundering practices/equipment.

- Wallcoverings – We deleted this project due to difficulties in obtaining cases from fire departments and the need to accommodate higher priority work.

- Mattresses/Bedclothes – We deleted contract dollars for this activity. Until the industry completes its testing, it is premature to commit funding to this activity.

- Electrical Reinspection – Staff completed this activity in 1999 and, therefore, it is deleted for 2000.

- Fire/Gas/Electrical Codes and Standards – We added voluntary standards activities on clothes dryers, range fires, gas oven ignitors, and candles. We also added an activity on extension cords. Staff will complete an assessment of extension cords to determine performance of cords not meeting the UL standard.

Household and Recreation Hazards:

- Mechanical Codes and Standards – We added voluntary standards activities on TVs, TV carts, and ATVs. We plan to continue work on swimming pool alarms.

Child Poisonings and Other Chemical Hazards:

- Phthalates -- This activity continues from 1999. Staff will conduct an observational study of mouthing behavior, measure migration of phthalates from products, and convene a Chronic Hazard Advisory Panel (CHAP). We have added contract dollars ($50,000) for the CHAP.

- Emissions from Older Appliances – We deleted this activity. The work on emissions from new appliances is not yet complete and it would be premature to extend that work to older appliances at this time.

Laboratory Support – As part of our revised plan, we eliminated a $50,000 increase contained in our 2000 request for laboratory equipment. Fortunately, the remaining funds exceed last year's plan and are adequate for our short-term needs.

Finally, total FTEs for HAR activity increase by 3; 2 FTEs were reallocated from HIA work and 1 FTE was reallocated from Compliance work.

Compliance. There are no substantial changes. Work on Section 15 will continue with an emphasis on technologically-complex hazards that pose substantial risk of death or injury. The full range of regulated products activity continues. We will begin a new ATV program to monitor the ATV industry action plan that began in 1998. The number of inspections we will conduct is substantially higher than in the final two years of the ATV consent decree. We have been able to reduce projected costs of this effort by $22,000. We also reduced total planned contract support funds by $104,000; this will still provide more funds than we spent last year. In addition, we converted $20,000 in Compliance contract funds to operating expenses to match last

year's sample purchases. FTEs decrease by 1 with technical staff time being reassigned to support HAR projects.

The Office of Compliance is developing the annual voluntary standards monitoring plan for 2000 and will discuss it with the Commission separately.

Consumer Information. Work will continue under the Continuing Publications and Outreach, Clearinghouse, and Public Information Services projects. Due to limited funds, we recommend the agency not expand hours for operator-assisted calls or improve publication ordering through the Hotline in 2000. However, we do recommend maintaining the ability to handle the increased number of Hotline calls that we received in 1999 ($55,000). We did not retain funding for the proposed pediatrician safety outreach project but can fund an additional video news release (VNR) to match the level of VNRs produced in 1999. We also will fund the increased cost ($40,000) of distributing publications to match the 1999 level.

Agency Management. There are no changes under this program.

Information Technology. Under the $49 million budget, we do not recommend funding the $500,000 database integration initiative. In addition, to make room for other important activities in the 2000 operating plan, we reduced the contract programming support by 12% or $50,000. This will mean deferring some requested improvements to the computer applications used by staff. This reduction and its impact will be reviewed again at mid-year. We also reduced computer supplies and equipment funds by $30,000; the remaining balance ($30,000) would be limited to emergency needs throughout the year.

We added funds ($82,000) to match increased costs of telecommunications services. We also propose funding a new initiative to make greater use of the Internet to advance agency safety work. The funding of $92,000 would provide additional support to: fund compliance surveillance efforts; improve product safety research; and improve public access to critical safety information. For example, this initiative would fund a pilot effort to monitor the Internet for sales of unsafe consumer products.

Overhead Savings. We reviewed our spending for overhead costs and can reduce these costs by $110,000. As a result of the implementation of the new accounting system, we expect to realize savings in computer processing of $30,000. We can reduce planned expenditures for paper by $30,000 because of supply purchases made in 1999. Finally, the proposed plan reduces our training fund by $50,000. The 2000 plan comes close to matching 1999 training activity.

Attached is a summary of FTE and contract dollar changes by activity and project (attachment A), a summary of FTEs by organization (attachment B), and a listing of voluntary standards work planned (attachment C).

Next Steps

The staff will brief you on November 15. Following the Commission decision, the staff will make any adjustments directed by the Commission and will submit the operating plan to the House and Senate Appropriations subcommittees for their required approval. This plan will guide Commission work during 2000. We will review our progress and the need for changes next spring at midyear.

Conclusion

The proposed operating plan continues all major activities and priorities of the Commission, reflects changes since the 2000 budget was last approved by the Commission, and provides for limited new initiatives. As noted, we are proposing limited resource changes to meet these objectives; careful monitoring will make sure the adjustments are appropriate over time.

We are confident that the proposed 2000 operating plan makes the best use of the funds appropriated. It is unfortunate that some very important initiatives cannot be funded within the $49 million. However, the plan will allow CPSC to continue making important advancements in product safety for American consumers.

Attachments

2000 OPERATING PLAN
PROPOSED CHANGES BY ACTIVITY/PROJECT
(dollars in thousands)

ACTIVITY/PROJECT	PRESIDENT'S REQUEST FTES	PRESIDENT'S REQUEST CONTRACT DOLLARS	PROPOSED PLAN FTES	PROPOSED PLAN CONTRACT DOLLARS	CHANGE FTES	CHANGE CONTRACT DOLLARS	COMMENT
HAZARD IDENTIFICATION & ANALYSIS (HIA):							
SURVEILLANCE DATA	25	$1,240	25	$1,228	0	-$12	Adjustment in cost estimate
INVESTIGATIONS DATA	21	54	21	30	0	-24	Investigations partially funded in 1999
EMERGING HAZARDS	10	7	9	0	-1	-7	Staff time reallocated to HAR; contract need to be met from operating funds
ECONOMIC STUDIES	2	7	2	0	0	-7	Need to be met from operating funds
PROGRAM SUPPORT	5	21	4	21	-1	0	
TOTAL HIA	**63**	**$1,329**	**61**	**$1,279**	**-2**	**-$50**	FTEs to HAR
RESEARCH	**0.0**	**$1,000**	**0**	**$0**	**0**	**-$1,000**	Funding not provided

ACTIVITY/PROJECT	PRESIDENT'S REQUEST FTES	PRESIDENT'S REQUEST CONTRACT DOLLARS	PROPOSED PLAN FTES	PROPOSED PLAN CONTRACT DOLLARS	CHANGE FTES	CHANGE CONTRACT DOLLARS	COMMENT
HAZARD ASSESSMENT & REDUCTION (HAR):							
CHILDREN'S HAZARDS:							
CHILD HEAD PRODUCTS	10	$50	5	$50	-5	$0	Reestimate of staff time
CHILD PRODUCTS-OTHER	2	100	3	100	1	0	Age Determination Guide
BABY WALKERS	0	0	1	0	1	0	Continued from 1999
DIVE STICKS	0	0	1	0	1	0	Begun in1999;not budgeted in 2000
SUBTOTAL	12	150	10	150	-2	0	
FIRE/ELECTROCUTION HAZARDS:							
UPHOLSTERED FURN.	3	0	9.0	0	6.0	0	
MATTRESS/BEDDING	2	85	1.5	0	-0.5	-85	Delete contract work
GEN. WEARING APPAR.	0	0	1.5	4	1.5	4	Continued from 1999
MULTI-PURPOSE LIGHTER	0	0	1.0	0	1.0	0	Continued from 1999
WALL COVERINGS	2	0	0.0	0	-2.0	0	Delete project
FIRE/GAS CODES/STDS.	6	0	8.0	0	2.0	0	Reestimate of staff time
ELEC.CODES/STDS-FIRE	11	0	7.5	0	-3.5	0	Reestimate of staff time
ELECTROCUTION VS	4	0	1.5	0	-2.5	0	Reestimate of staff time
SUBTOTAL	28	85	30.0	4	2.0	-81	
HOUSEHOLD/RECREATION:							
SPORTS/RECREATION	2	0	2	0	0	0	
MECH.CODES/STDS.	5	0	5	0	0	0	
SUBTOTAL	7	0	7	0	0	0	
CHILD POISONINGS:							
POSION PREVENTION	5	88	6	81	1	-7	Reestimate of staff time
CHEMICAL HAZARDS	9	0	8	0	-1	0	Reestimate of staff time
CARBON MONOXIDE	4	0	4	0	0	0	Reestimate of staff time
PHTHALATES	0	0	3	50	3	50	begun in 1999; not budgeted in 2000
SUBTOTAL	18	88	21	131	3	43.0	
PROGRAM SUPPORT:							
LAB SUPPORT	2	295	2	245	0	-50	Delete program increase
CONTRACT SUPPORT	0	37	0	90	0	53	Contingency contract support
PROGRAM SUPPORT	16	15	16	0	0	-15	VS data cost saving
SUBTOTAL	18	347	18	335	0	-12	
TOTAL HAR	**83**	**$670**	**86**	**$620**	**3**	**-$50**	+2 FTEs from HIA, +1 FTE from Compliance; -$50 laboratory equipment

ACTIVITY/PROJECT	PRESIDENT'S REQUEST FTES	PRESIDENT'S REQUEST CONTRACT DOLLARS	PROPOSED PLAN FTES	PROPOSED PLAN CONTRACT DOLLARS	CHANGE FTES	CHANGE CONTRACT DOLLARS	COMMENT
COMPLIANCE:							
CHILDREN'S HAZARDS	76	$133	64	$38	-12	-$95	Reflects 1999 experience; includes $22,000 reduction in planned ATV monitoring costs
FIRE/ELECTROCUTION HAZARDS:							
FIRE	34	201	67	330	33	129	Reflects 1999 experience
ELECTROCUTION	16	55	13	10	-3	-45	Reflects 1999 experience
SUBTOTAL	50	256	80	340	30	84	
HOUSEHOLD/REC:	35	52	16	10	-19	-42	Reflects 1999 experience
CHILD POISONINGS	17	150	17	57	0	-93	Reflects 1999 experience
PROGRAM SUPPORT:							
LAB SUPPORT	2	35	2	35	0	0	
STATE&LOCAL	3	100	3	100	0	0	
PROGRAM SUPPORT	9	0	9	0	0	0	
SUBTOTAL	14	135	14	135	0	0	
TOTAL COMPLIANCE	**192**	**$726**	**191**	**$580**	**-1**	**-$146**	FTE to HAR; general contract reduction
CONSUMER INFORMATION (CI):							
CONTINUING PUBLICATION & OUTREACH:							
DISTRIBUTION	0	$124	0	$164	0	$40	To meet increased cost
ONGOING/SEASONAL	16	0	16	0	0	0	
PEDISTRICIANS DIST.	0	35	0	0	0	-35	Delete project
SUBTOTAL	16	159	16	164	0	5	
CLEARINGHOUSE	8	0	8	0	0	0	
PUBLIC INFORMATION:							
HOTLINE	1	508	1	457	0	-51	Drop planned increase; meet current need
OTHER	25	217	25	217	0	0	
SUBTOTAL	26	725	26	674	0	-51	
PROGRAM SUPPORT	4	0	4	0	0	0	
TOTAL CI	**54**	**$884**	**54**	**$838**	**0**	**-$46**	
AGENCY MANAGEMENT	**88**	**$111**	**88**	**$81**	**0**	**-$30**	New accounting system savings
TOTAL CPSC	**480**	**$4,720**	**480**	**$3,398**	**0**	**-$1,322**	Research project deletion ($1 million) plus other contract reductions

Attachment B

2000 OPERATING PLAN
FTEs BY ORGANIZATION

Organization	On Board 1/	2000 Request	2000 Op. Plan	Change
Commissioners	13.0	13.0	13.0	--
Office of the Secretary	15.0	14.5	14.5	--
Office of Congressional Relations	2.0	2.0	2.0	--
Office of the General Counsel	13.0	14.0	14.0	--
Office of EEOME	3.0	2.0	2.0	--
Office of the Inspector General	2.0	3.0	3.0	--
Office of the Executive Director	3.0	4.0	4.0	--
Office of Human Resource Mgmt	9.8	9.0	9.0	--
Office of Information Services	32.8	31.5	31.5	--
Office of the Budget	3.0	4.0	4.0	--
Office of Planning and Evaluation	6.0	6.0	6.0	--
Office of Information and Public Affairs	11.5	12.0	12.0	--
Office of Compliance	46.4	46.0	45.0	-1.0
Office of Hazard Identification and Reduction	155.9	154.5	155.5	+1.0
Directorate for Administration	29.2	29.0	29.0	--
Directorate for Field Operations	129.6	135.5	135.5	--
Total	475.2	480.0	480.0	--

1/ As of October 23, 1999. (Includes pending hires and separations.)

2000 OPERATING PLAN
VOLUNTARY STANDARDS ACTIVITIES

Fire/Gas Codes & Stds.	**Mechanical Codes & Stds.**	**Children's Products (Other)**
1. Candles	19. All Terrain Vehicles	38. Baby Bouncers
2. Fireworks Devices	20. Escalators	39. Bassinets & Cradles
3. Gas Oven Ignitors	21. Go Carts	40. Bed Rails
4. Gas Water Heaters	22. Garage Doors	41. Infant Bedding
5. National Fuel Gas Code	23. Nail Guns	42. Strollers
6. Sprinklers, Fire	24. Saws, Chain	
7. Stoves, Pellet	25. Saws, Table	**Sports and Recreation**
	26. TV Sets/TV Carts	43. Exercise Equipment
Electrical Codes & Stds.		
8. Arc Fault Circuit Interrupters	**Children's Products (Head)**	**Carbon Monoxide**
9. Circuit Breakers	27. Activity Centers, Stationary	44. Camping Equipment
10. Clothes Dryers	28. Gates, Baby	45. CO Alarms
11. Fans, Portable Electric	29. Helmets, Bicycle	46. Furnaces, Central
12. Heaters, Fixed Room	30. Helmets, Recreational	47. Gas Logs
13. Heaters, Portable Electric	31. Infant Carriers	48. Ranges and Ovens
14. Polymeric Materials	32. Playground Equipment, Children Younger Than 2	49. Unvented Gas Room Heaters
15. Ranges and Ovens	33. Playground Equip.-Home	50. Vented Gas Room Heaters
16. Toys, Ride on (Battery)	34. Playground Equip.- Public	
Electrocutions	35. Playground Surfacing	**Poison Prevention**
17. Ground Fault Circuit Interrupters	36. Swings, Baby	51. Child Resistant Packaging
18. National Elec. Code	37. Trampolines	