



Chapter 2: Planning, Programming, Budgeting and Execution

Section 2.2 – Budget Formulation

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Introduction

This Policy outlines the general information and procedures applicable to the formulation of the Immigration and Customs Enforcement (ICE) annual budget justifications for submission to the Office of Management and Budget (OMB) and, thereafter, to Congress. This ICE Policy provides additional guidance for formulating budgets in accordance with FMPM Section 2.0, *DHS Appropriations Structure*. This policy shall remain in effect from its publication date until superseded.

The objective of the budget formulation process is to provide comprehensive budgetary information for use by ICE program managers, the Secretary, the President, and Congress in making decisions about the allocation of the Nation's resources in accordance with policy priorities, operational goals, and objectives.

Responsibilities

The **ICE CFO** approves policy, provides guidance and approves the ICE Budget in accordance with Federal law and the associated regulations.

The **ICE Deputy CFO** establishes policies, ensures appropriate process controls and supports the CFO in ensuring reviews of budget products allow for full coordination at all leadership levels.

The **ICE Budget Director** is responsible for directing and managing ICE budget processes, including ICE's Resource Allocation Process (RAP) strategy as well as objective prioritization of ICE's Program Decision Options (PDOs). Under the direction of the CFO:

- a. Leads, in coordination with OBPP's Formulation and Program Analysis and Evaluation (PA&E) Unit, the ICE Budget Formulation Review;
- b. Oversees the budget and execution phases of PPBE;
- c. Informs the ICE CFO of pertinent PBR developments. Advises the CFO and Leadership on the RAP Strategy and RAD Appeal.
- d. Controls and manages development of the ICE budget submission to OMB, including coordination of the review and response to OMB's budgetary decisions – Passback, and final settlement;
- e. Prepares the ICE CFO for budget hearings, including development of testimony and briefing materials, and manages ongoing liaison activities with OMB and with Appropriations Committee Staff;
- f. Provides timely, coordinated responses to House and Senate Questions for

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the Record (QFRs) in support of and following the Secretary’s and ICE Leadership’s budget hearings;

- g. Conducts periodic fee reviews;
- h. Manages the execution of apportionment and funds controls, including transfers and reprogramming actions;
- i. Conducts periodic status of funds reviews and mid-year/mid-session reviews of Program’s operations; and
- j. Ensures coordination of the ICE RAP submission.

ICE OBPP Unit Chiefs. oversee execution of PPBE and resource allocation decision making within their Program accounts and the CFO is the final authority in the prioritization and submission of RAPs to the Department. Unit Chiefs will also:

- a. Review ICE Program Office submissions for programmatic content;
- b. Provide guidance to ICE Program Offices throughout the RAP, PBR, and RAD processes;
- c. Provide Adjustments to Base (ATBs) inputs for ATBs related to their units;
- d. Assist ICE Program Offices with determining what PDOs to submit;
- e. Participate with Issue Teams, as required.

Enterprise Wide Owners. Enterprise Wide Owners are responsible for the delivery, commitment and obligation of Enterprise Wide Cost Programs. They must develop Spend Plans and provide justifications annually for the Program they administer.

The **ICE Program Offices:**

- a. Develop PDOs and rank them within each Program’s submission;
- b. Indicate whether a PDO is scalable and what “elements” within a resource request are scalable;
- c. ICE Program Offices are primarily responsible for development of the investment proposals contained in the PDOs.
- d. Revise PDOs in response to OBPP and ICE Leadership feedback;
- e. Propose ideas for Efficiency exhibits;
- f. Participate with Issue Teams, as appropriate;

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- g. Provide information to support responses to PBR questions.

The **ICE OBPP Budget Formulation Unit**:

- a. Manages and coordinates the RAP submission process, creating a timeline for RAP exhibit production and review;
- b. Holds a kick-off meeting to communicate RAP guidance to ICE Program Offices and OBPP personnel. Advises ICE Program Offices and OBPP personnel throughout the RAP process;
- c. Coordinates development of the Base Budget, including the calculation of ATBs;
- d. Analyzes the Base Budget and PDOs to make recommendations on funding tradeoffs;
- e. Reviews ICE Program submissions for format and compliance with the RAP Instructions. Edits all RAP Exhibits, incorporates OBPP, CFO, and DCFO review comments, and finalizes the RAP for DHS transmittal;
- f. Maintains authorized control totals in the Budget Formulation Automated System;
- g. Liaises with ICE Budget Office and PA&E, communicating ICE feedback to leadership and programs and coordinating the submission of PBR “getbacks” to DHS. Represents ICE at PBR meetings; and
- h. Recommends items for RAD Appeal. Drafts, incorporates leadership feedback, and finalizes the RAD Appeal.

The **ICE OBPP Budget Execution Unit**:

- a. Reviews the RAP submission and provides comments to OBPP Budget Formulation in a comment matrix. Provides the execution data required for completing the Base Budget Review Questionnaire.

The **ICE OBPP Budget PA&E Unit**:

- a. Updates the FYHSP system with performance measure information;
- b. Reviews the RAP submission and provides comments to ICE OBPP Budget Formulation Unit in a comment matrix;
- c. Assists programs with developing the Performance Measures required for PDOs.

Budget Formulation

Federal budget formulation is the process of identifying the resources needed to support the operational and mission requirements of an organization. Budget formulation involves three main elements: analysis of the agency's priorities in the context of the Resource Planning Guidance (RPG); assessment of the funding and staffing needs to meet mission requirements; and justification of the funding request. In Circular A-11, Section 10, OMB describes the formulation phase of the Federal budget process as follows: "During this phase, the Executive Branch prepares the President's Budget. OMB and the Federal agencies begin preparing the next budget almost as soon as the President has sent the last one to Congress. OMB officially starts the process by sending planning guidance to Executive Branch agencies in the Spring. The President completes this phase by sending the budget to Congress on the first Monday in February the following year, as specified in law, although occasionally Presidents have sent it later for various reasons."

The ICE Budget Formulation process is a key element of the Planning, Programming, Budgeting, and Execution (PPBE) framework. ICE uses the (PPBE) process to resource its operations and missions. ICE is responsible for ensuring its program and budget submissions are consistent with the PPBE framework. Funding requirements are packaged for submission to Congress as a request for the next year's appropriation.

The PPBE framework is aimed to promote greater linkage between policy and budget, streamline and integrate the resource management process across the different program areas, and consider multi-year strategies when determining current resource allocations.

ICE uses the PPBE process to determine program priorities and allocate resources. PPBE establishes the framework and mechanisms for decision-making regarding future programs and provides the department with the opportunity to re-examine prior programmatic decisions with respect to the current environment. ICE PPBE is a cyclic process consisting of four distinct but interrelated phases: Planning, Programming, Budgeting, and Execution. Below is a breakdown of the Planning Phase that Programs must adhere to.

Phase 1: Planning

The Planning phase is led by the ICE Budget Office within the Office of the Chief Financial Officer (OCFO). Major planning activities are conducted three times a year: in the Spring, ICE prepares and submits the Resource Allocation Plan (RAP) for leadership review and approval to be transmitted to the Department; in the Summer, based on the Secretary's Resource Allocation Decisions (RAD),

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ICE prepares and submits budget justifications to be transmitted to OMB; in the Winter, based on OMB Passback and settlement, ICE prepares and submits the President's Budget through DHS to Congress.

The Resource Planning Guidance (RPG) is the principal output of the planning phase and provides the Secretary's actionable and resource-oriented direction to the Program Offices to inform development of their individual resource submissions. The RPG covers a five-year period and provides strategic direction for the Future Year Homeland Security Program (FYHSP). Covering the same time period as the RPG, FYHSP is the official system of record used by ICE to summarize ICE programs and associated resources for the budget year and the next four years.

The RPG contains two parts:

- a. **Resource Guidance:** Identifies resource planning priorities, programming guidance, policy and strategy guidance and cross-cutting areas of focus.
- b. **Analytic Guidance:** Contains guidance for Winter Studies, which are coordinated by the Assistant Secretary for Policy which focus on the development of investment options. Analytic Guidance also directs other analytical efforts that focus on longer-term topics and are not directly related to the development of investment proposals in the annual PPBE process.

The Operational Planning Guidance (OPG) and RPG are distributed to the DHS CFO. The OPG contains the Secretary's direction for the development and review of the Department's priority joint operational plans, which specify how ICE assets and activities are integrated and employed to meet operational requirements and mission responsibilities, such as securing our air, land, and maritime borders.

Policy

1. Standards and Criteria for Budget Justifications

Through the Congressional Budget Justification (CBJ), the President requests budget authority to support the various programs and agencies of the Federal Government. Budget authority represents the legal permission for a Federal Agency to obligate funds on behalf of the Federal Government. The CBJ is both ICE's request for discretionary appropriations and its request for the annual authority to spend fee collections. The authority to collect fees is authorized through separate statutes. ICE has legislative authority to spend fees collected from four sources: The Student Exchange and Visitor Program (SEVP), Visa Security Program (VSP), the Breached Bond Detention Fund (BBDF), and the Immigration Inspection User Fee Fund (IIUF).

ICE Budgeting involves an annual review incorporating near-term changes in policy

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or priorities and decisions with detailed justifications. In general, a good justification concisely and specifically provides a summary of all relevant program descriptions and financial data in support of the proposed budget. When crafting its CBJ, ICE should respond to any directive language found in the appropriations act, as well as the accompanying House and Senate Reports and the Joint Explanatory Statement. Congress often requests that ICE include specific details or funding breakouts based on topics of interest. The ICE Budget Director or Program managers must be able, upon request, to provide detailed information supporting the summary information contained in the justification.

The goal of the justification is to provide sufficient information and a compelling argument that supports the proposed funding level for each program or activity described in the budget. The focus is on justifying the use and benefit of requested funds, not providing historical background or extraneous information.

Decision-makers at all levels rely on OBPP Formulation Unit and program staff for analysis and summary of the information developed in the budget formulation process. Therefore, budget formulation personnel should make every effort to provide CFO staff with information equivalent to that needed by the decision-makers themselves. While justification documents should summarize detailed information used in developing budget requests, budget personnel should be able to furnish reviewers and decision-makers with detailed backup material upon request.

Budget justifications should:

- a. Integrate analysis, planning, evaluation, and budgeting, and should reflect the results of the Program's annual strategic reviews;
- b. minimize technical jargon and be written in plain language that can be clearly understood by reviewers, not all of whom are familiar with the program's technical content;
- c. be consistently organized with respect to its program and budget elements, financial tables, and supporting data;
- d. describe the need for the proposal, including the economic, social, programmatic, and national security characteristics of the problem;
- e. consider the effect that demographic, economic, or other changes can have on program levels beyond the budget year;
- f. state the specific objectives of the proposal, quantified wherever practicable, in terms of the performance level in the budget year and future years;
- g. explain how the proposal was developed, including how resource

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estimates, personnel requirements, and support costs were calculated;

- h. discuss expected benefits and program performance should the funding proposal be supported; and
- i. describe the impact on the program or activity should the funding proposal be denied.

2. OMB Requirements

Within the Executive Office of the President, OMB is charged with broad oversight, supervision, and responsibility for coordinating and formulating a consolidated budget submission.

OMB Circular A-11 and memoranda provide overarching guidance for how Federal departments and agencies should develop their annual funding requests. Circular A-11 is reissued on an annual basis in the Summer. The Department's budget request to OMB conforms to the guidelines included in the latest issue of the circular.

OMB's planning guidance informs the topline targets for the budget year. Within this framework, ICE CFO conducts the planning, programming, and budgeting process in concert with Department leadership.

3. OMB Review and Passback

For the OMB submission, OBPP ensures that the ICE budget justifications align with the RADs and are consistent with respect to content and formatting. OBPP then prepares and sends a consolidated budget submission to DHS to submit to OMB with a transmittal letter signed by the Secretary.

During the OMB budget review stage, the ICE Budget Director participates in hearings with OMB to discuss the budget submission and answer questions. When OMB examiners request written responses to their questions, Programs must provide those responses to OBPP for clearance before the responses can be provided to OMB. The OBPP Budget Formulation Unit performs a quality review of responses and presentations and provides to the Budget Director for clearance. While OBPP will issue guidance on the timeline for providing responses to the Department and subsequently to OMB, Programs are expected to provide responses as quickly as possible.

The Budget Director/Deputy Budget Director and OBPP Budget Formulation Unit review the OMB Passback to determine if there are items that may require an appeal. The Budget Director meets with the CFO to discuss the Passback and

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determine items for appeal, if any. The CFO and Budget Director confer with ICE Leadership to finalize items for appeal.

The OBPP Budget Formulation Unit prepares the appeal. The OBPP Budget Formulation Unit tasks the ICE Programs, as necessary, to complete Appeal to Passback templates for the items that ICE wishes to appeal. The OMB Passback Appeal has an extremely tight turnaround of approximately 24 hours for Leadership consideration and disposition.

Programs are responsible for completing Appeal to Passback Templates and documenting the risks the funding will mitigate as well as the impact of receiving additional funding. Programs should include:

- a. Metrics showing the impact of receiving additional funding
- b. Risks the funding will mitigate
- c. Clear linkages to ICE mission priorities

4. Congressional Requirements

Specific requirements for budget justifications are left largely up to the House and Senate Appropriations Subcommittees on Homeland Security. The Subcommittees require certain Departmental summary material, formal printed justifications for each appropriation, Subcommittee staff briefings, and formal Committee hearings. Policies and procedures related to Committee hearings can be found in ICE FMPM Section 2.3, *Congressional Budget Process*.

In preparing budget justifications, ICE Programs should ensure compliance with any directive language found in the most recent appropriations act, as well as accompanying House and Senate reports and the Joint Explanatory Statement, as applicable.

5. ICE Budget Submissions

A Web-based application is used to facilitate collaboration between Programs during the development of the OMB and congressional budget justifications. The ICE Budget Office will provide training to ICE budget staff on the use of the Web-based application. Prior to the formal transmission of the Program Budget (PB), ICE is prohibited from discussing content outside of the Executive Branch. ICE CBJ, which includes the ICE narrative and exhibits are submitted to OMB. OMB submits the PB to Congress.

Upon receipt of the OMB and CBJs, ICE Budget Office will promptly review

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narratives and exhibits. Programs are expected to respond promptly to any inquiries from the Budget Office and to make Department directed edits in the web-based application in a timely manner.

When ICE budget justifications are approved, the ICE Budget Office will provide the justifications to OMB for review and clearance via MAX Collect. The ICE Budget Office will work with Programs to address OMB's questions and concerns.

ICE Budget Office will also review narratives, appropriations language, and budget data uploaded by Programs into MAX to ensure alignment with CBJ documents.

Once the CBJ is transmitted to Congress, it must go through the formal congressional budget cycle in both the House and the Senate. ICE CFO leads ICE's communications with Congress regarding the budget submission during the Congressional review process and enactment of appropriations.

As part of the Congressional review process, the House and Senate Appropriations Committees (HAC/SAC) hold hearings on the PB/CBJ. Congressional Hearings are the principal, formal method by which Committees collect and analyze information in the early stages of policymaking. ICE Director will testify specifically on the ICE budget. The annual appropriation hearing for ICE is comprised of a written prepared statement and oral testimony from the ICE Director. Congress may also request additional information through a formal request - QFRs. Preparations for the Congressional Hearings begin as soon as the budget numbers are finalized from OMB, typically in January, with budget hearings occurring between February and May.

Once the House and Senate complete their hearings, mark-up and vote on the bill, a Conference Committee is established to reconcile differences between the House and Senate versions of the bills. Ultimately, the House and Senate must both pass the same version of the bill, and the President must sign the bill for it to become law.

6. Budget in Brief

In conjunction with the CBJ, ICE prepares an executive summary of the President's request in the Budget in Brief (BIB). The BIB is intended for external audiences, such as the media and general public. The document contains an overview of the priorities and programs funded in the President's Budget, multi-year budget tables, and a chapter on each Program. The BIB consists of a short (typically 5-6 pages) narrative summarizing the budget submission.

Information in the BIB provides the reader with a concise overview of ICE programs, accomplishments, funding levels, and the mission impact of funding. DHS Budget is responsible for issuing specific BIB guidance with deadlines and

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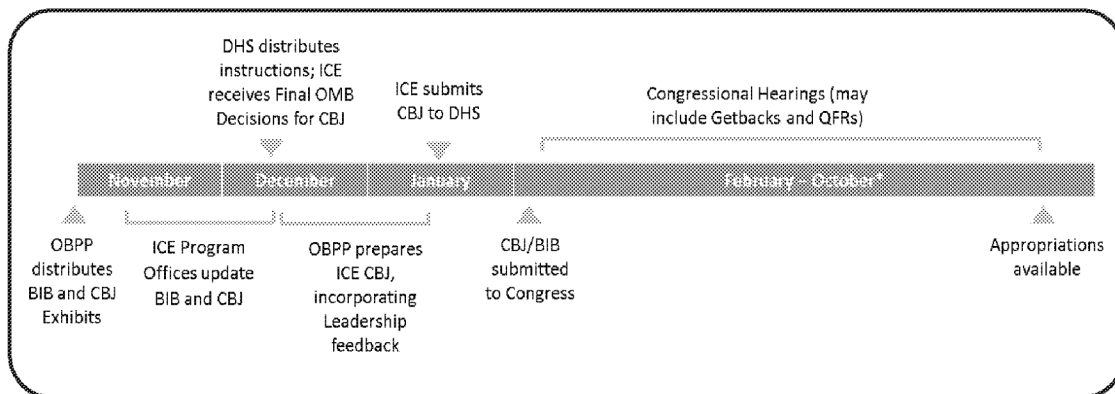
templates to ICE. DHS submits the BIB with the CBJ on the first Monday in February.

The CBJ structure is identical to the OMB submission structure. To prepare the CBJ, ICE updates the OMB submission with OMB feedback and year-end amounts. The CBJ is structured around the Common Accounting Structure (CAS), as it outlines the budget year request by appropriation, PPA, and Sub-PPA. It also contains a Program-level submission with funding summary tables and supplemental exhibits that apply to all of ICE. To also assist in the submission process, the ICE Budget Office will issue specific guidance with deadlines and templates to the Programs who must secure all required Program Level review and approval prior to submission to DHS. DHS Budget Office will review Program BIBs, provide prompt feedback, and coordinate review and clearance by Senior Leadership and OMB. Once the BIB is cleared, the document is printed and transmitted to Congress along with the Congressional Justifications.

7. Milestones and Timing

The table below in Figure 1 describes the various milestone activities and actions that take place during the formulation of the ICE budget, culminating in the submission of the President’s Budget to Congress. The timing noted for each milestone depicts the typical schedule, but there could be deviations as necessary.

Figure 1: Congressional Budget Justification (CBJ) Calendar of Key Dates.



**Congress must make Appropriations available by 9/30 to avert a Government Shutdown.*

Procedures and Internal Controls

Program Offices may develop and implement oversight procedures and internal controls to comply with this ICE policy. Additional guidance may be issued by ICE OCFO during the budget formulation process.

Authorities and References

Authorities

31 U.S.C. §§ 1101-1119, “The Budget and Fiscal, Budget, and Program Information.”

Current Department of Homeland Security Appropriations Acts, the accompanying Joint Explanatory Statements, and the House and Senate reports.

References

Office of Management and Budget Circular No. A-11, “Preparation, Submission, and Execution of the Budget.”

Government Accountability Office, “Principles of Federal Appropriations Law” (Red Book).

Glossary

The following tables contain definitions of the acronyms and terms used in this policy.

Acronym	Definition
BIB	Budget in Brief
BMC	Business Management Council
ICE	Immigration and Customs Enforcement
CFO	Chief Financial Officer
DFCO	Deputy Chief Financial Officer
CBJ	Congressional Budget Justification
DHS	Department of Homeland Security
FMPM	Financial Management Policy Manual
FYHSP	Future Years Homeland Security Program
OCFO	Office of the Chief Financial Officer
OMB	Office of Management and Budget
PA&E	Program Analysis and Evaluation
PPA	Program, Project, and Activity
PPBE	Planning, Programming, Budgeting, and Execution
RAD	Resource Allocation Decision
RAP	Resource Allocation Plan
RPG	Resource Planning Guidance

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Term	Definition
Appropriation	A provision of law (not necessarily in an appropriations act of Congress) that permits federal agencies to incur obligations and make payments from the Treasury. An appropriation usually follows enactment of authorizing legislation. An appropriations act is the most common means of providing budget authority. Appropriations do not represent cash actually set aside in the Treasury; they represent limitations of amounts, which agencies may obligate during a specified time and for a specified purpose.
Budgeting	The process of translating resource requirements into a funding profile for a single year. Budgeting is the third phase of the PPBE where the Program Office develop detailed budget estimates for the budget year. The ICE Budget Office reviews and analyzes budget estimates during the ICE Budget Review. ICE request to OMB is documented in budget justification materials. OMB decisions on the ICE Budget request are finalized as the President’s Budget and sent to Congress for appropriation.
Fiscal Guidance	Issued each year in February by the ICE CFO, Budget Office and Program Analysis & Evaluation Division allocates funds to each Program for each year of the FYHSP providing a fiscal target for ICE RAP submissions. The FG, in conjunction with the RPG and RAP instructions, inform ICE RAP submissions.
Resource Allocation Decision	The Secretary's formal decisions in regard to RAPs. The RAD is issued after the PBR deliberations on the RAPs, Issue Teams, and other resource matters. RADs set resource allocation targets for Program Office for the FYHSP and become the basis for the Secretary’s budget submission to OMB.

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Resource Allocation Plan	The Program-specific budget requests that span a five-year time period. In the programming phase, the Program Office/Directorates annually develop proposed programs consistent with the RPG. These programs reflect the systematic allocation of resources required to achieve missions, objectives, and priorities, and potential alternative methods of accomplishing them. Resource requirements reflected in RAPs are translated into time-phased funding requirements. RAPs account for long-term requirements and resources including human capital, construction and investments, operations and maintenance, and potential disposal or termination costs, and program performance goals.
Resource Planning Guidance	The final output of the planning phase that serves as an authoritative statement directing homeland security policy, strategy, and resource planning. The RPG provides guidance, direction, and prioritization for the Department's long-term resource allocation process. The RPG consists of the following elements: resource planning priorities, policy and strategy guidance, programmatic guidance, and Winter Studies, which are issues that require additional analysis ahead of the PBR. The RPG is published annually in October of each year.