The ADP allocation was made on a 50-percent fixed, 50-percent variable basis. Half of the total man-years used in the ADP function were allocated on a fixed percentage basis, 12.5 percent to the regulation of accounting and reporting program and 37.5 percent equally to the other four economic analysis programs. The remaining 50 percent was spread on a variable basis (metered hours), with the portion allocated to the regulation of accounting and reporting program being reallocated to the four programs on the same percentage distribution basis used to allocate the statistics and cost-finding activity.

Explanation of Method of Distribution of Dollars to Programs

For all bureaus and offices, except BAS and OS, the distribution of dollars to programs was made on the basis of each bureau's average cost per man-year applied to the number of man-years in each program.

To illustrate, the amounts shown by program for the Bureau of Economics were calculated by applying an average cost of $15,022.59 per man-year ($1,995,000 divided by 132.8 man-years) to BE's man-years by program as follows:

	Man-years	Multiplied by $15,022.59
Awards of operating authority	16.4	$246,370
Regulation of rates and fares	74.9	1,125,192
Regulation of agreements and interlocking relationships	6.3	94,642
Subsidy support of air service	34.2	513,773
Regulation of air carrier accounting and reporting	1.0	15,023
Total, BE	132.8	1,995,000

For the assignment of BAS costs to programs a two-part allocation method was used. First, an average cost per man-year was obtained for BAS excluding the Data Processing Division and all ADP supplies, equipment, and rental costs. This unit cost was then applied to the non-ADP man-year distribution of program man-years. For the second allocation, the automatic data processing man-year cost, including supplies, equipment, and rental costs, was applied to the ADP man-year distributions by program.

The following tabulation shows the man-year costs of BAS for the years 1967–69. The increase in the ADP average cost in 1969 is to provide for increased usage of the equipment, new components and exchange of components to increase the system's effectiveness to meet the data information needs of the Board.

	1967	1968	1969
BAS excluding ADP:			
Costs	$1,479,601	$1,621,800	$1,701,000
Man-years	98.6	108.5	111.6
Average cost	$15,006	$14,947.47	$15,241.94
ADP activity:			
Costs	$480,576	$491,100	$546,600
Man-years	27.5	31.0	31.3
Average cost	$17,475	$15,841.94	$17,463.26
Total BAS:			
Costs	$1,960,177	$2,112,900	$2,247,600
Man-years	126.1	139.5	142.9
Average cost	$15,545	$15,146.24	$15,728.48

The OS program cost distribution follows the same method used for the other bureaus except that the cost of the bound volumes of Board reports are distributed only to the awards of operating authority and regulation of rates and fares programs. The distribution is made on the basis of the relationship of material in the volumes to these two programs.

B. *Budget Processes*

7. Has your program breakdown been approved by the Bureau of the Budget?

Yes. The fiscal year 1969 budget estimates submitted to the Bureau of the Budget last fall were based on the program structure. The budget justifications submitted to the Congress for fiscal 1969 were also on this basis.

8. Does your program structure flow generally along functional lines of the agency?