

Savannah River Site Citizens Advisory Board

Recommendation #244

DOE Budget Formulation and Stakeholder Participation

Background

The Congressional and Department of Energy (DOE) budget processes require that budget requests be submitted in accordance with a schedule and in a specific format. At any point in time, DOE is dealing with budgets for three fiscal years (FY). For example, while the FY 2007 budget is being executed, internal deliberations are underway for the FY 2008 budget and the requirements for the FY 2009 budget are being assembled. This “annual” budget process is how Federal agencies operate.

The following steps in the budget process are normally followed:

DOE Headquarters issues a guidance memorandum to the DOE sites requesting their life cycle costs (February - March). Sites develop their budgets and perform internal reviews (April - June).

- Headquarters analyzes the proposals with the sites. Environmental Management (EM) sends the budget to DOE’s Chief Financial Officer. (June)
- DOE, EM, and the sites negotiate the budget. (June - September)
- The budget is sent to Office of Management and Budget (OMB) and negotiated. (October- December)
- The President’s budget document is released. (January/February)

The fiscal year begins in October and the budget becomes effective. (If the budget is still not approved by the time the Fiscal Year begins on October 1, the DOE may operate under a “Continuing Resolution” if passed by Congress.) On February 15, 2007, President Bush signed into law a continuing resolution (Public Law 110-5) that will fund DOE and several other departments and agencies for the remainder of fiscal 2007, which ends September 30, 2007. The act was necessary because the 109th Congress adjourned in December after having passed only two of the 11 annual appropriations bills. This funding should be adequate to support Savannah River Site (SRS) missions at roughly close to FY 2006 levels (Ref. 1).

DOE is currently working on building the FY 09 budget. On February 6, 2007, the EM Site Specific Advisory Board (SSAB) received a memo from DOE’s Deputy Assistant Secretary for Program Planning and Budget regarding “Participation of the EM SSAB in EM Budget Requests”(Ref. 2). This guidance was issued in response to a June 2006 SSAB recommendation to EM that the Citizens Advisory Board (CAB) provide input to the budget process. This SSAB recommendation paralleled the SRS CAB recommendation #234 documenting the local stakeholder frustration at not being involved early enough in the budget process (Ref. 3).

In response to the new guidance, DOE-SR requested the SRS CAB provide input to the FY09 budget priority list. This request was made on February 27, 2007 and the SRS CAB response was due March 10, 2007 (only eight working days). A response on behalf of the SRS CAB was formally submitted on March 8, 2007 (Ref. 4).

Comment

The SRS Citizens Advisory Board (CAB) acknowledges the schedule pressure that affects all SRS staff working to prepare the site budget, and appreciates the effort of DOE-SR to get us involved per the recent DOE-HQ guidance. In the future, we trust that DOE will involve the SRS CAB earlier in the development of the EM Priority List, so that we can more effectively review and comment on such an important topic.

The SRS CAB finds it difficult to set priorities without a clear picture of what's actually been accomplished, what's in progress, and what still needs to be accomplished. Additional performance measures are required, such as requested budgets versus approved budgets, planned expenses versus actual expenditures, or target versus over-target budget requests and work scope. To be better informed, the SRS CAB needs to hear what the funding status is (at a minimum, whether the work is fully funded, partially funded, not funded at all, etc), preferably at the subproject level. A prime example of this is the impact the present Continuing Resolution has on the funding for the Salt Waste Processing Facility (SWPF).

The SRS CAB is very confused over the reluctance of DOE-SR to provide any information on funding levels and the issues associated with the budget embargo. Based upon the DOE-EM budget timeline (Ref. 5), the planning year budget is embargoed from June (budget submitted to DOE's Chief Financial Officer) through February (Presidential budget is released to Congress). Based upon the recent guidance from DOE's Deputy Assistant Secretary for Program Planning and Budget, the embargo begins upon submission of the budget request to EM Headquarters, which is March 26-30. The most recent presentation from S. A. Blanding, DOE-SR CFO, simply states that "all budget information is embargoed until after the President submits the budget request to Congress in February". The latter is simply unacceptable to the SRS CAB. The SRS CAB does not want to interfere or receive information about every detail of project level funding but does expect to be informed about funding to Level 3 of the EM Work Breakdown Structure, as described in the Project Execution Plan (PEP).

The SRS CAB has major concerns about the extension of projected cleanup closure completion dates for Savannah River Site from 2025 to 2031. This change was noted during the most recent budget presentation as only a footnote to one of the slides. The lack of a formal announcement and discussion behind the reasons for the extension is very disconcerting to the SRS CAB.

Another concern is the lack of continuity (or at least an explanation for inconsistency) in the budget information presented to the SRS CAB from one briefing to the next (e.g., the

2/27/07 briefing slide on FY 2007 Congressional Request did not match information presented on 11/13/06). Furthermore, the name of the most recent presentation, "Savannah River Site Environmental Management Defense Environmental Cleanup" had no reference to the budget. Viewing the meeting agenda gave local stakeholders with an interest in the budget process no indication that the topic was being discussed.

Recommendation

The SRS CAB recommends the following concerning the budget process:

1. DOE-SR provide a briefing to the SRS CAB in April on the Continuing Resolution and its potential impact. As stated in the DOE's Deputy Assistant Secretary for Program Planning and Budget guidance, the briefing should include "a synopsis of the previous year's performance to include information such as carryover amounts, actual versus planned expenditures, and baseline performance metrics". Specifically, the SRS CAB is interested in the impacts that the Continuing Resolution has on the SWPF schedule and regulatory commitment funding.
2. By May 22, 2007, DOE-SR provide to the SRS CAB a timeframe with specific dates to allow review and input in a timely manner of all components of the SRS budget process.
3. By May 22, 2007, DOE-SR clarify the budget embargo dates and identify a time (date) where it can share funding performance measures (i.e., fully funded, partially funded, fund reductions, non-funded, etc.) with the SRS CAB for FY 2008, FY 2009 and each successive budget year.
4. DOE-SR provide a formal presentation on the reasons behind the extension of the projected cleanup closure completion dates for SRS and what assurances are available to ensure that the dates do not continue to slip.
5. DOE-SR ensure that all budget presentations to SRS CAB committees are clearly identifiable and that information presented is comparable and equivalent between budget presentations.

References

1. Savannah River Site Environmental Management Defense Environmental Cleanup, presentation to the Strategic & Legacy Management Committee by S. A. Blanding, CFO (DOE-SR), February 27, 2007.
2. Memorandum for Distribution, February 1, 2007, issued by Mark W. Frei, Deputy Assistant Secretary for Program Planning and Budget
3. Citizens Advisory Board Recommendation No. 234 (adopted May 23, 2006), "SRS Budget Participation."

4. Fiscal Year (FY) 2009 Budget Priority List letter to Jeffery Allison, Manager DOE-SR from Madeleine Marshall, Strategic & Legacy Management Committee Chair and Karen Patterson, Chairman SRS Citizens Advisory Board.
5. Department of Energy, Office of Environmental Management, Budget Process Timeline, June 2004 (see Recommendation # 238, adopted September 28, 2006)