

EM Site-Specific Advisory Board Chairs Meeting

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Director, Office of Budget and Planning

October 2017

- **Primary Phases of Budget**
- **Opportunities for Stakeholder Engagement**
- **FY 2018 Budget Request Status**
- **FY 2019 Budget Request Status**
- **Environmental Liability**
- **Budget and Planning Integration**



Primary Phases of the Budget Process

➤ Formulation

- 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 the 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 the Congress on the first Monday in February

➤ Congressional

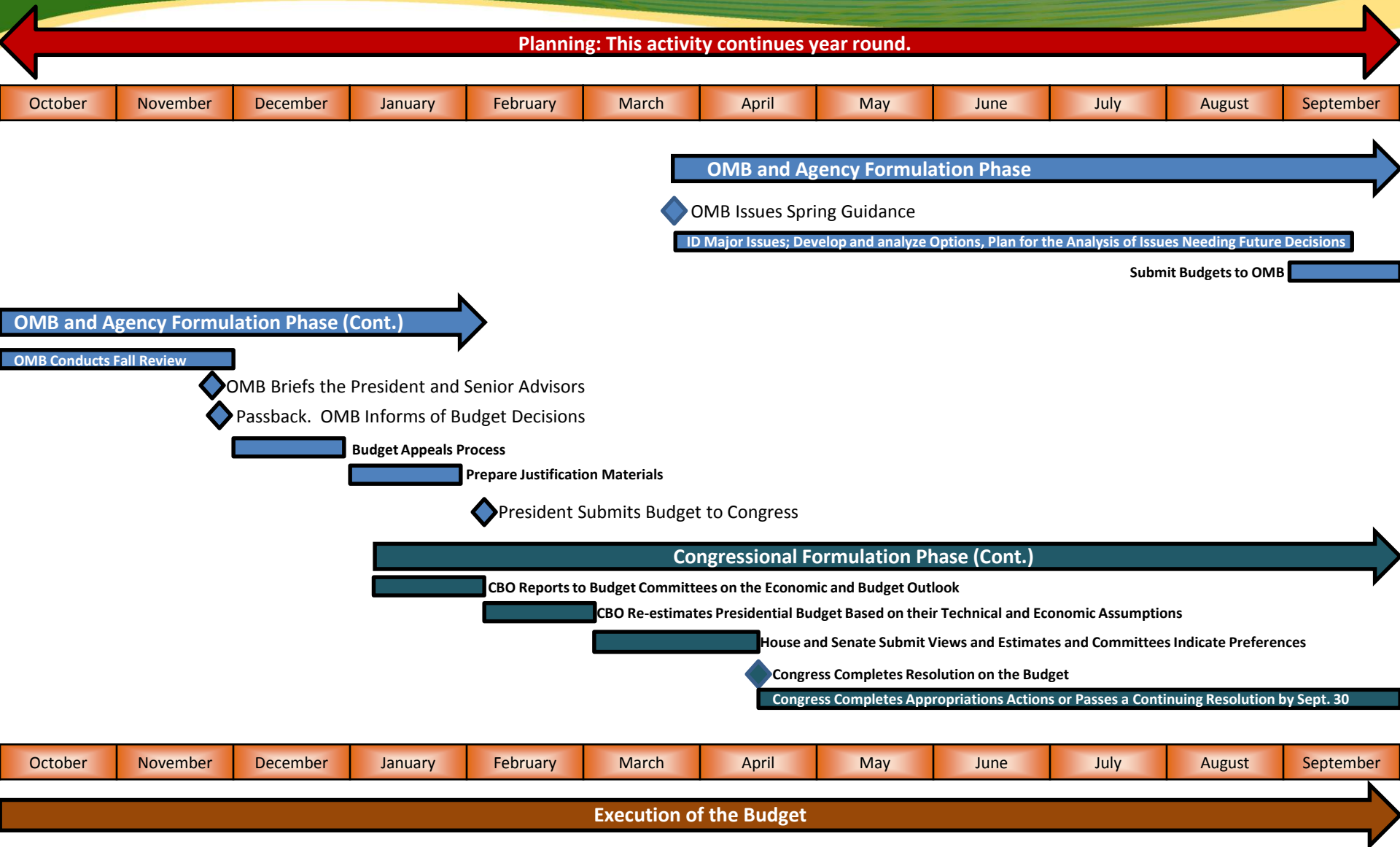
- Begins when the Congress receives the President's Budget
- The Congress does not vote on the President's Budget itself, and it does not enact a budget of its own
- It considers the President's Budget proposals, passes an overall revenue and spending plan called a "budget resolution," and enacts the regular appropriations acts and other laws that control spending and receipts

➤ Execution

- This phase lasts for at least five fiscal years and includes two parts:
 - Apportionment – OMB must provide an Apportionment schedule allocating funds to agencies for spending
 - Spending and Reporting



Budget and Planning Timeline



*During OMB's Agency Formulation Phase, Budget Allocations are Embargoed and **NOT** Releasable Outside of the Administration

➤ **When can stakeholders engage and provide input**

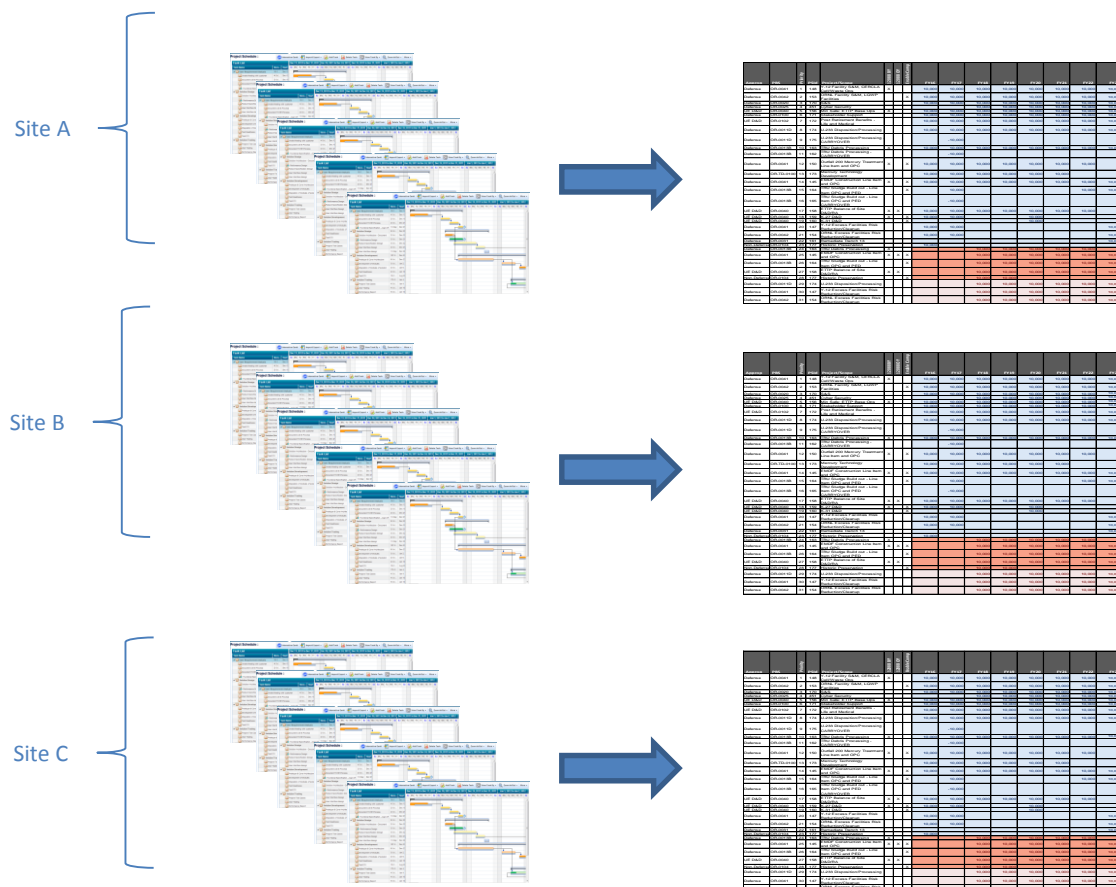
- EM releases letter of engagement refresher to site offices
 - Letter outlines how/when site offices can engage with stakeholders for the upcoming fiscal year process
 - Letter is usually released prior to receiving guidance from OMB or the Department
 - Typically done in the February timeframe; however due to the delay in FY 2018 budget activities the FY 2019 letter was not released until late spring

➤ **How can stakeholders engage and provide input**

- Site offices enlist specific engagement for next budget cycle from stakeholders usually in the February/March timeframe
- Engagement is typically discussed in terms of priorities and overarching activities to be performed, not in terms of how much is needed for activities
- Engagement should continue to occur year-round, you are not limited to communicating your priorities just in the initial timeframe -- If things change, let us know

Planning Informs the Budget Process

Site Prioritization



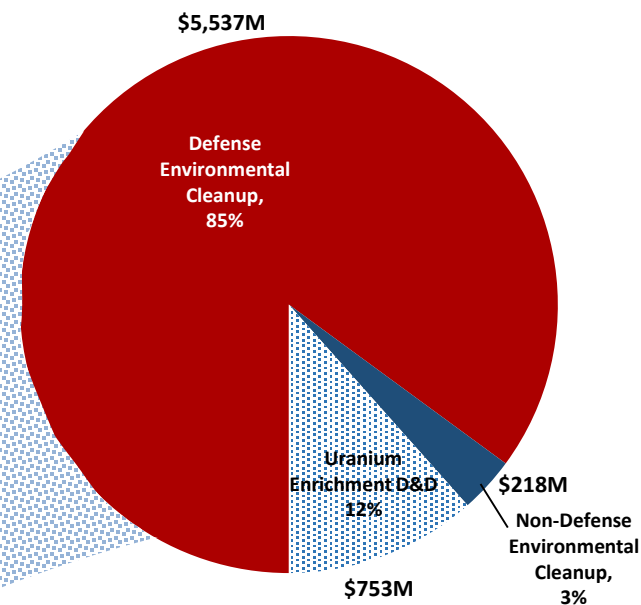
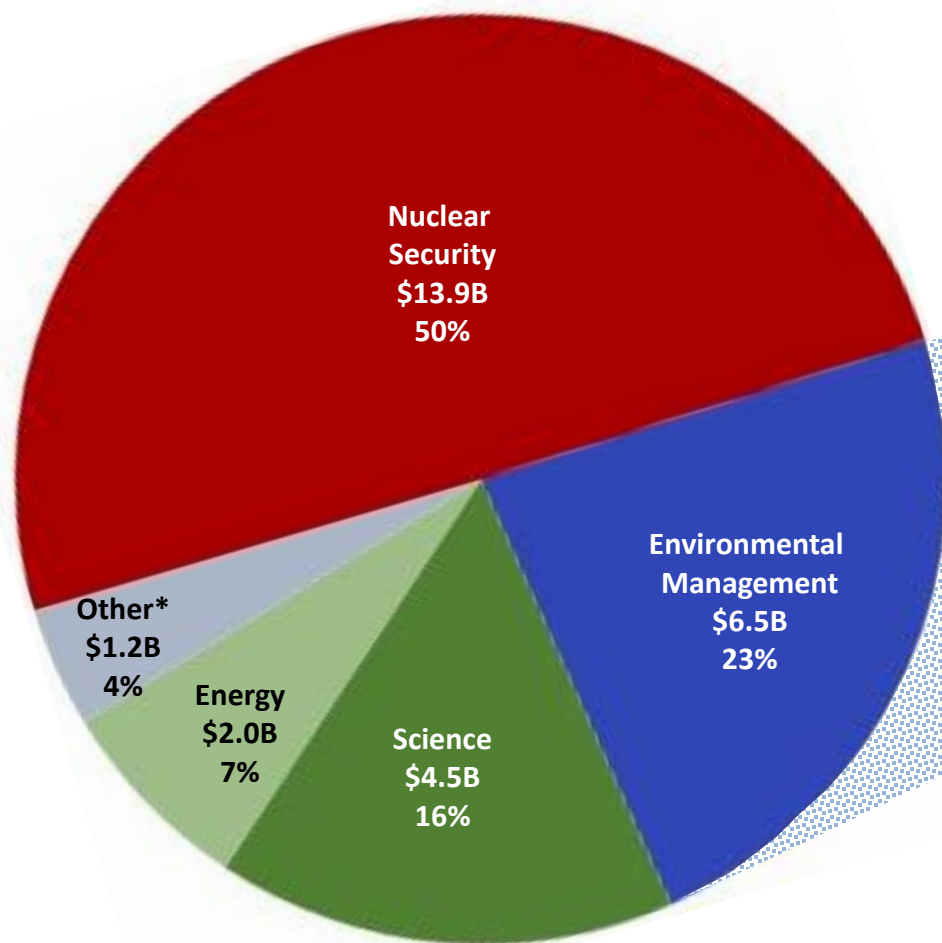
Program Prioritization

Department of Energy
FY 2018 Congressional
Budget Request



Environmental Management

DOE FY 2018 Budget Request to Congress (\$28.0B)



* Includes all other funding for the Department not included in the four offices on the chart.

Environmental Management's Fiscal Year 2018 budget supports substantial progress:

- Maintains a safe and secure posture at all sites, while continuing with cleanup activities
- Continues waste emplacement at the Waste Isolation Pilot Plant
- Continues progress in protecting the Columbia River at Hanford
- Continues construction and commissioning activities for the Direct Feed Low Activity Waste approach to treat tank waste at Hanford
- Completes commissioning and startup of the Salt Waste Processing Facility at Savannah River
- Continues commissioning of the Integrated Waste Treatment Unit at Idaho
- Completes design and begins construction of the Mercury Treatment Facility at Oak Ridge
- Completes activities necessary to ready Building X-326 for demolition at Portsmouth

The mission of the Office of Environmental Management is to complete the safe cleanup of the environmental legacy brought about by five decades of nuclear weapons development and government-sponsored nuclear energy research



New Funding for Excess Facilities



Y-12 National Security Complex – Biology Complex Building



Lawrence Livermore National Laboratory – Livermore Pool Type Reactor Building 280



Y-12 National Security Complex – Critical Experiment Facility



Y-12 National Security Complex – Beta-4 Tool Storage Facility



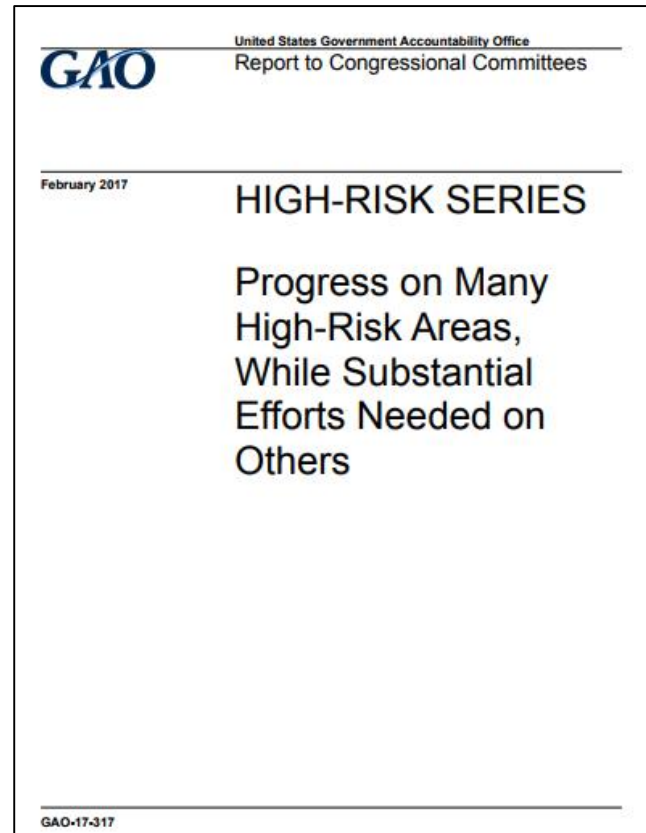
Lawrence Livermore National Laboratory – Heavy Elements Facility

Status of FY 2018 Budget Request

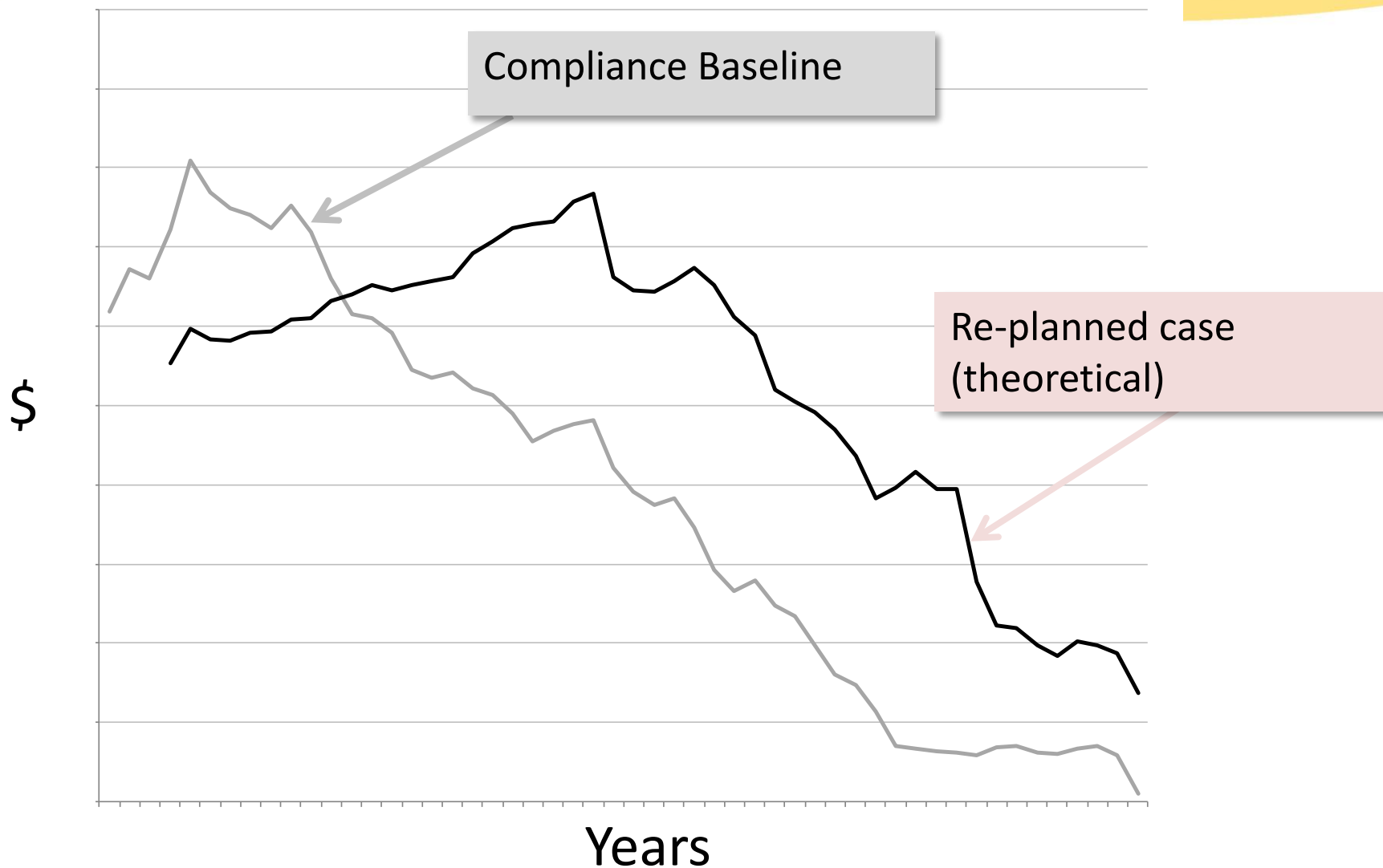
Site	FY 2016 Current	FY 2017 Request	FY 2017 Omnibus	FY 2018 Request	FY 2018 HEWD	FY 2018 SEWD
Brookhaven	0	0	0	2,000	1,000	2,000
Carlsbad	310,838	279,400	324,720	323,041	323,041	307,441
ETEC	10,459	10,459	10,459	9,000	8,000	9,000
Idaho	401,919	370,088	390,088	359,226	394,071	359,226
Los Alamos	185,000	189,000	194,000	191,629	194,000	217,529
Lawrence Livermore	1,366	1,396	1,396	1,175	31,175	1,175
Lawrence Berkeley	17,000	0	9,200	0	0	21,000
Moab	38,650	34,784	37,884	35,315	34,000	38,456
Nevada	62,385	62,176	62,176	60,136	60,136	60,136
Oak Ridge	469,310	391,407	498,164	390,205	461,013	514,771
Richland	990,653	800,000	916,176	800,422	839,793	910,422
River Protection	1,414,000	1,499,965	1,499,965	1,504,311	1,518,311	1,590,000
Paducah	266,582	272,310	272,310	270,203	254,647	273,139
Portsmouth	288,970	322,653	381,971	417,936	403,677	418,301
Savannah River	1,342,609	1,448,000	1,369,429	1,447,591	1,397,694	1,425,124
SPRU	0	3,685	3,685	1,800	1,800	1,800
Sandia	2,500	4,130	4,130	2,600	2,600	2,600
West Valley	62,624	63,628	69,628	63,683	64,585	78,098
Defense Closure Site Activities	4,889	9,389	9,389	4,889	37,919	4,889
Non-Defense Closure Site Activities	9,500	0	5,500	0	0	0
Program Direction	281,951	290,050	290,050	300,000	300,000	290,150
Mission Support Activities MS-0100	6,979	6,979	6,979	6,979	8,979	8,979
Minority Institutions	8,000	8,000	8,000	6,000	6,000	6,000
Mercury Storage Facility	1,300	0	0	0	0	0
HQ-WCF-0100 - Working Capital Fund	0	0	0	22,109	0	0
HQ-0025 - Cyber	0	0	0	8,085	0	0
Total, Mission Support Activities	16,279	14,979	14,979	43,173	14,979	14,979
Technology Development	19,310	30,000	25,025	25,000	20,000	25,000
Excess Facilities	0	0	0	225,000	0	55,000
Uranium Thorium Reimbursements	32,959	30,000	30,000	30,000	32,959	13,732
D&D Fund Deposit	0	155,100	563,000	0	0	788,000
Subtotal, EM w/Mandatory	6,229,753	6,282,599	6,983,324	6,508,335	6,395,400	7,421,968
UED&D Fund Offset:	0	-155,100	-563,000	0	0	-788,000
Use of Prior Year Balances	-12,043	0	-1,416	0	0	0
Total, EM	6,217,710	6,127,499	6,418,908	6,508,335	6,395,400	6,633,968

- EM sites began discussions with stakeholders on the FY 2019 budget process earlier this year
- EM held a budget and planning workshop in June to discuss site priorities
- EM submitted the FY 2019 request to OMB in September 11, 2017
 - EM briefed OMB examiner on request September 15, 2017
- OMB is in the process of evaluating the budget submittals
 - Anticipate OMB Passback in late November/early December
 - FY 2019 Congressional budget submission anticipated to be submitted the first Monday of February 2018

- GAO added a new high risk area in 2017: Environmental Liability
- The EM Environmental Liability is the estimated cost for DOE to meet its present environmental cleanup obligations, including all work required to complete cleanup of facilities; remediation of soil and groundwater; and management and disposition of wastes, spent nuclear fuel, and surplus nuclear materials managed by EM.
- EM annually updates its EL estimate prior to recording this amount in DOE's Consolidated Financial Statements.

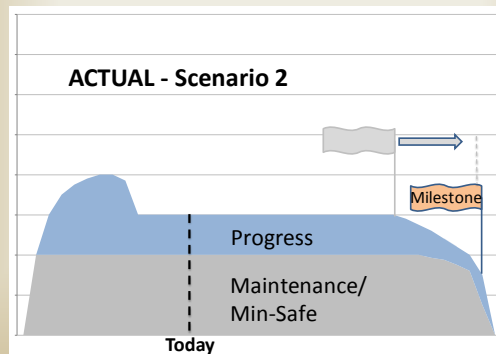
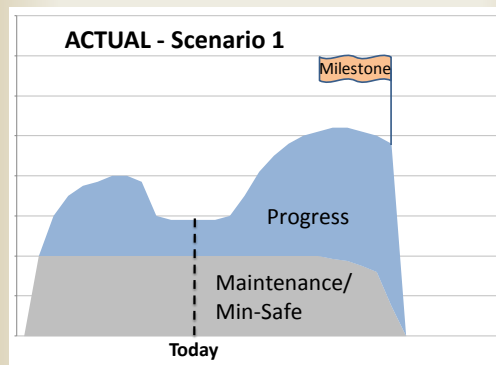
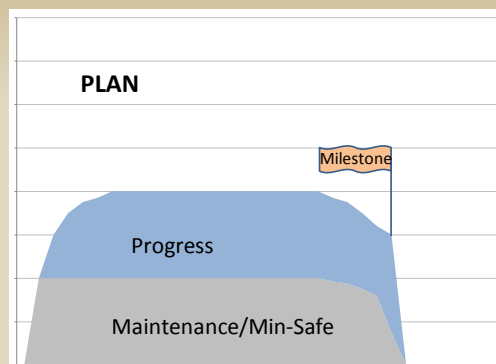


Site Cleanup Baselines Require Replanning to Accommodate Different Annual Funding, Scope Changes, Technical Issues



Accumulation of Technical Challenges and Funding Shortfalls Results in Unworkable Baseline

- **Baselines reflect compliance requirements**
- **Baselines are ambitious in an effort to make progress at all sites**
- **Constrained funding in a given year delays progress**
- **Technical issues can cause delay and increase cost**

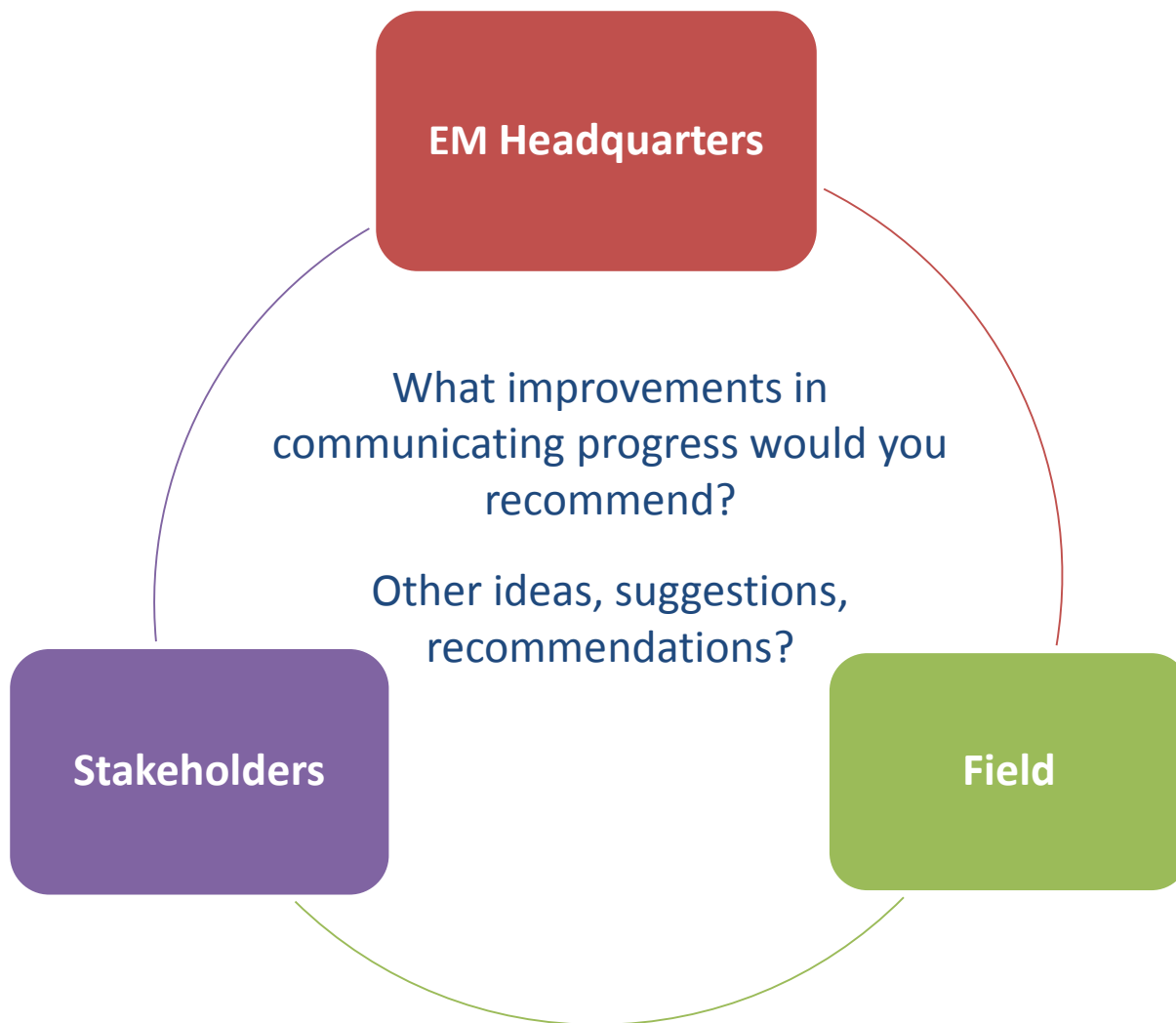


Near-Term Planning & Budget Activities

- Currently developing life-cycle planning profiles.
 - Establish realistic cost and schedule expectations for each site and document underlying assumptions/basis.
 - Provide improved basis for measuring progress and evaluating alternative cleanup approaches.
- Expand HQ-Field EM planning and budget alternatives analysis.
 - Continue planning and budget workshops
 - Update/life-cycle planning profiles
 - Provide essential input for update EM Program long-term strategy
 - Support Administration transition



We Need Your Involvement



Background

➤ What drives the budget requirements?

- The Budget and Accounting Act requires the President to submit a budget
- Agencies have internal process that ultimately lead to the President formally transmitting budget proposals to Congress
- The Congress considers the recommendations and uses the information included in the budget as it drafts and passes laws that affect spending
- Neither branch of Government can unilaterally decide how budgets are distributed/executed, it is through the budget process the Government decides how much money to spend, what to spend it on, and how to raise the money it has decided to spend

➤ All Government agencies are required to follow the governing steps laid out in the Office of Management and Budget (OMB) Circular No. A-11 “Preparation, Submission, and Execution of the Budget”

- Provides an overview of the budget process
- Indicates what/when agencies can communicate externally

➤ **Defense Environmental Cleanup**

- Often referred to as 050 funds
- Funds legacy cleanup activities associated with Defense funded legacy waste
- Subject to Defense fund caps

➤ **Non-Defense Environmental Cleanup**

- Often referred to as non-050 funds
- Funds legacy cleanup activities associated with non-defense funded legacy waste
- Subject to non-defense fund caps

➤ **Uranium Enrichment Decontamination and Decommissioning (UE D&D)**

- Often referred to as non-050 funds
- Funds legacy cleanup activities under statutory requirements from the Energy Policy Act of 1992 for the sole purpose of uranium enrichment facility decontamination
- Subject to non-defense fund caps

FY 2017 Enacted Structure - \$6,418,908 net

(dollars in thousands)

\$5,405,000 Defense Environmental Cleanup (050)	\$563,000 Defense Uranium Enrichment D&D (050)	\$247,000 Non-Defense Environmental Cleanup (non-050)	\$768,324 Uranium Enrichment Decontamination and Decommissioning (UE D&D) (non-050)
<ul style="list-style-type: none"> 1.Closure Sites 2.Hanford Site: Central Plateau Remediation 3.Hanford Site: Richland Community and Regulatory Support 4.Hanford Site: River Corridor and Other Cleanup Operations 5.Hanford Site: 15-D-401 Containerized Sludge Removal Project 6.Idaho National Laboratory: Idaho Cleanup and Waste Disposition 7.Idaho National Laboratory: Idaho Community and Regulatory Support 8.NNSA Sites: Los Alamos 9.NNSA Sites: Lawrence Livermore National Laboratory 10.NNSA Sites: Nevada 11.NNSA Sites: Sandia National Laboratories 12.NNSA Sites: Separations Process Research Unit 13.Oak Ridge: OR Cleanup and Disposition 14.Oak Ridge: OR Nuclear Facility D&D 15.Oak Ridge: OR Reservation Community and Regulatory Support 16.Oak Ridge: OR Technology Development and Deployment 17.Oak Ridge: U233 Disposition Program 18.Oak Ridge: 14-D-403 Outfall 200 Mercury Treatment Facility 19. Oak Ridge: 17-D-401 Onsite Waste Disposal Facility 20.Office of River Protection: Tank Farm Activities 21.Office of River Protection: 15-D-409 Low Activity Waste Pretreatment System 22.Office of River Protection: 01-D-16A-D WTP Subprojects A-D 23.Office of River Protection: 01-D-16E Pretreatment Facility 24.Office of River Protection: WTP Commissioning 25.Program Direction 26.Program Support 27.Safeguards and Security 28.Savannah River Site: Savannah River Site Risk Management Operations 29.Savannah River Site: Radioactive Liquid Tank Waste Stabilization and Disposition 30.Savannah River Site: SR Community and Regulatory Support 31.Savannah River Site: 05-D-405 Salt Waste Processing Facility 32.Savannah River Site: 15-D-402 Saltstone Disposal Unit #6 33.Savannah River Site: 17-D-402 Saltstone Disposal Unit #7 34.Technology Development and Deployment 35.Waste Isolation Pilot Plant: Waste Isolation Pilot Plant 36.Waste Isolation Pilot Plant: 15-D-411 Safety Significant Confinement Ventilation System 37.Waste Isolation Pilot Plant: 15-D-412 Exhaust Shaft 38.CB-010 Economic Assistance to the State of NM 	<ul style="list-style-type: none"> 1.UEDD Fund Contribution 	<ul style="list-style-type: none"> 1.Fast Flux Test Reactor Facility 2.Gaseous Diffusion Plants 3.Small Sites 4.West Valley Demonstration Project 	<ul style="list-style-type: none"> 1.Oak Ridge 2.Paducah Nuclear Facility D&D 3.Portsmouth Nuclear Facility D&D 4.Portsmouth: 15-U-408 On-Site Waste Disposal Facility 5.Pension and Community and Regulatory Support 6.Title X Uranium/Thorium Reimbursement Program