

# Planning and Budgeting

safety ❖ performance ❖ cleanup ❖ closure



## Federal Budget Process

People often develop budgets as part of their job or for their own personal finances. For many people, this can be a difficult process. Imagine the difficulty of creating detailed budgets two years in advance of when you actually need the money! As an example, in fiscal year (FY) 2008, the U.S. Department of Energy (DOE) will simultaneously develop budget plans for FY 2010; refine previously developed plans for FY 2009 (submitted in FY 2007); and execute the approved budget plan for FY 2008 (initiated in FY 2006). DOE Headquarters works with these different budgets throughout the year as it evaluates funding requests from DOE field sites across the United States. Given the complexity of this ongoing, multi-phase process, the DOE takes a comprehensive approach to ensure that the most critical issues at each site are addressed and adequate funding is allocated on a timely basis.



*An example of the U.S. Department of Energy budget planning timeline.*

The Office of Management and Budget (OMB) assists the President of the United States in assembling budget information, and has broad oversight, supervision, and responsibility for coordinating and preparing a consolidated budget submission. It issues budget directions and planning limits to each federal agency based on funding levels and expenditures from the previous year. These directions are based upon guidelines and a general budget outline, which is prepared by the OMB and approved by the President.

In January, the OMB gives its final budget recommendations for the next FY to Congress. Congress can approve, deny, or modify the budget proposal, and has the power to change funding levels, and to add or eliminate programs. To make these decisions, Congressional committees conduct months of hearings prior to final approval. If Congress approves the budget and the President signs the budget into law, the budget appropriation then becomes the basis for each federal agency's operations during the next FY. The goal is to have a final budget approved and signed by the President before October 1 each year. If approval is delayed, continuing resolutions may be passed to fund the federal government and keep it in operation until the final budget is approved. But where do the budget requests originate before the OMB sends them to Congress in January? By April each year, DOE field sites send their initial budget request to DOE Headquarters for the FY that begins in two years. Once Headquarters receives proposed budgets from each of the field sites and program offices, it performs a detailed review of the budget requests and supporting materials. Like all federal agencies, the DOE has a target level of funding. Budget officials carefully review requests from all sites, consider priorities, and combine all site budget requests into a single agency request, which is presented to Congress the following year for discussion and approval.



## Definitions

**EM Projects:** Nevada Site Office Environmental Management Projects include the Waste Management Project and the Environmental Restoration Project. The Waste Management Project is comprised of the Transuranic Waste and Low-Level Waste Sub-Projects, while the Environmental Restoration Project consists of the Underground Test Area, Industrial Sites, and Soils Sub-Projects.

**Fiscal Year:** The twelve month period of time during which budgets are planned and executed. The fiscal year for the federal government begins on October 1 and ends on September 30. As an example, fiscal year 2008 began on October 1, 2007 and ends on September 30, 2008.

**Life-Cycle Baseline:** A document that provides a framework for long-term planning, budgeting, scheduling, and tracking the progress of Environmental Management projects.

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The DOE National Nuclear Security Administration Nevada Site Office Environmental Management Program develops and maintains life-cycle baselines to assist planning and budget efforts. These comprehensive documents contain the proposed work scope, cost, and schedule necessary to meet technical and regulatory commitments for the duration of each project in the Environmental Management Program. Baselines are created using cost estimates based on industry standards, current performance, past performance on similar activities, and fixed-price quotes. This information is used to estimate the cost of specific tasks anticipated for future projects. Assembling detailed estimates for these tasks leads to the development of a total project estimate. The Nevada Site Office evaluates and updates as necessary the baselines each year as part of its annual planning and budgeting activities, to incorporate changes to estimates resulting from factors such as new technology, stakeholder issues and concerns, available funding, new and/or revised corrective action strategies, and regulatory requirements.



*Federal and contractor staff work together to develop cost estimates and schedules for completing environmental management cleanup activities.*

### For more information, please contact:

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## Public Involvement

Public Involvement plays an integral role in the Environmental Management planning and budget process. The Nevada Site Office Environmental Management Program invites and encourages the public to be involved and to help prioritize work activities. To ensure public involvement, the Nevada Site Office works closely with the Community Advisory Board (CAB) for Nevada Test Site Programs. The CAB is a formal group of volunteer, nonpartisan citizens and liaison members that provides advice and recommendations to the Nevada Site Office on a wide variety of issues, including budget prioritization. The CAB also conducts a budget prioritization during the budget process. Environmental Management Program officials carefully consider input received from the community when making final budgetary decisions.

For information on all Nevada Site Office Environmental Management activities visit:

[www.nv.doe.gov/envmgt](http://www.nv.doe.gov/envmgt)

