

Setting Site-Specific Priorities in the Federal Budget Process for Cleanup of Nuclear Weapons Waste: Opportunities for State Engagement

Introduction

Sufficient federal funding to clean up the U.S. nuclear weapons complex is a priority for states that host or are affected by the 17 sites still engaged in active cleanup of the environmental legacy of Cold War-era nuclear weapons production. The U.S. Department of Energy (DOE), which funds and oversees the cleanup through its Office of Environmental Management (EM), estimates that between \$7 billion and \$8 billion in annual funding is needed to meet agreed-on and enforceable cleanup milestones over the next 15 years. However, DOE anticipates a flat-line cleanup budget of around \$5.7 billion per year (plus inflation adjustments) for the foreseeable future. Given such a constrained budget environment, states should set and clearly communicate cleanup priorities as a way of making sure funds go where they are needed most, in addition to advocating for sufficient funds to meet commitments.

The EM budget must progress through DOE, other executive branch agencies, and Congress; those entities decide which cleanup activities to fund at a given site. Thus, states affected by the EM cleanup mission have multiple opportunities to provide input regarding state compliance obligations and cleanup priorities. This issue brief focuses on the opportunities for state engagement at each stage of the budget process and suggests how states can ensure that site budgets incorporate state input and priorities.¹ The information in this issue brief was gathered through a series of conference calls and meetings between members of the National Governors Association Federal Facilities Task Force and the Environmental Council of the States Federal Facilities Forum—with representatives from the Office of Management and Budget, DOE EM, DOE Office of the Chief Financial Officer and the U.S. Senate Committee on Appropriations—respectively.²

Opportunities for State Engagement

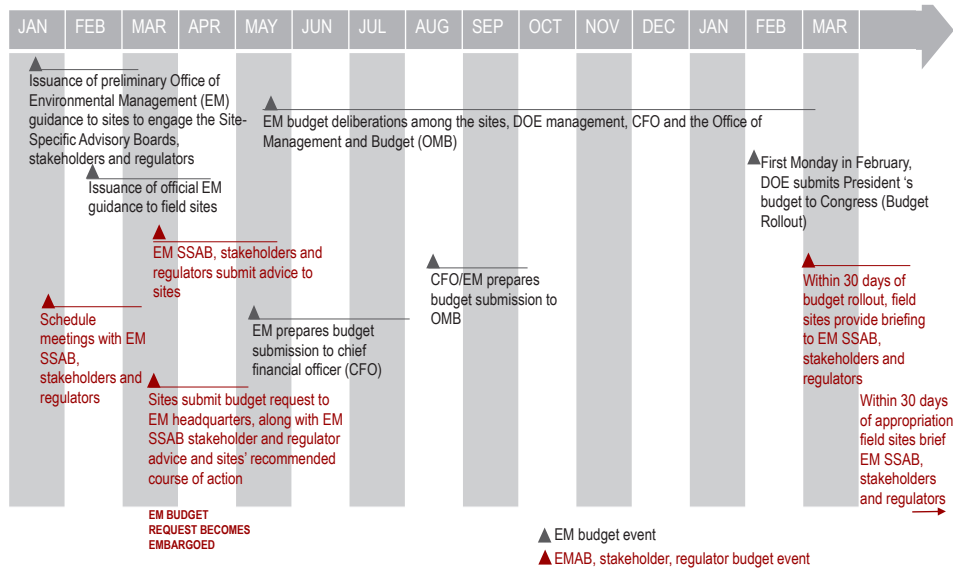
There are three key audiences for state engagement in the budget prioritization process: site managers, officials at the Office of Management and Budget (OMB), and their state's congressional representatives. The budget process shapes the timing for engaging each set of decision makers. Figure 1 on page 2 illustrates the U.S. Department of Energy's (DOE) typical budget process. In a calendar year, states and DOE are potentially discussing budgets for the next three years: the budget for the current federal fiscal year (for which a budget is already in place), the budget for the upcoming fiscal year (which begins October 1) and the budget for the following fiscal year (for which budget development began the previous January). For example, the issuance of initial budget guidance (indicated in the item in the top left of the Figure 1 on page 2) in January 2017 would be applicable to the 2019 fiscal year, which begins October 1, 2018.

State Engagement at the Site Level

The earliest opportunity states have to engage in the budget process is through direct discussion with DOE site managers. Site managers can discuss site priorities with stakeholders at any time during the budget formulation process, but once the sites submit their funding requests to DOE headquarters (approximately 18 months before the start of the fiscal year), the process does not allow DOE to share funding targets with anyone outside the federal government. This timeline gives states a clear window for holding discussions with site managers.

A 2016 memo from DOE Office of Environment Management (EM) leadership gives DOE site managers guidance for engaging with stakeholders,

Figure 1. Sample Year Timeline for the U.S. Department of Energy’s Office of Environment Management Budget Process³



including state regulators. The guidance describes a process for EM sites to engage in a discussion with stakeholders at the beginning of each calendar year to prioritize site activities and discuss milestones without addressing whether adequate funding will be available to meet those milestones. The guidance offers a snapshot of what type of information site managers can discuss with state regulators when the federal fiscal year begins and before certain information becomes restricted, as described above. The following list describes the type of information site managers can and should discuss with stakeholders—including states—for each fiscal year for which planning activities are taking place:

- **Current fiscal year:** Sites can provide stakeholders with a list of prioritized activities at the analytical building block (ABB) level of detail, which includes greater detail on actual cleanup projects within a site.⁴ Sites can discuss deviations between funding needed for stakeholder priorities and the actual enacted level of funding, giving DOE an opportunity to discuss and justify which priorities have been funded.
- **Next fiscal year:** Site managers can discuss items in the request at the ABB level, including work scope and priorities. Site managers can

brief stakeholders on planned accomplishments at the requested funding level and provide an impact assessment for activities not performed.

- **Following fiscal year:** Site managers can provide stakeholders with the approximate funding levels they are using to plan the next year’s budget, using the previous year’s funding request as a starting point. Sites can provide stakeholders with any budget guidance from DOE headquarters and can discuss priorities, work scope (including integrated priorities lists), schedules and milestones, planned accomplishments and compliance projections but not any specific funding amounts.⁵

State Engagement with Office of Management and Budget

Typically, OMB engages DOE after budgets have been submitted in mid-September and does not ask states or other stakeholders for input. OMB begins the process by requesting that DOE submit three budgets: a proposed budget based on OMB guidelines; a budget that complies with all state compliance milestones, as required by Executive Order 12088; and a budget that takes into account both state milestones and any other public laws that may affect cleanup.

OMB weighs several factors when assessing DOE's budget requests, including life cycle costs and schedule and the effects of current-year spending on future budget requests. The office makes decisions based on the information DOE provides but can weigh additional input from states and stakeholders. Just as states can share their cleanup priorities with DOE, states can send similar information about their budget priorities to OMB to help OMB better understand what states and stakeholders value in the budget.

State Engagement with Congress

The final step in the budget process involves interactions between states and the House and Senate appropriations committees. Generally, after the President's budget arrives in Congress, it is used by the appropriations committees as a guide for developing their budgets. After the House Energy and Water Subcommittee, which oversees the DOE EM's appropriation, sends an allocation amount to the full committee, the amount of funding in the EM cleanup accounts does not change significantly. Assuming that the President delivers a budget on time (February of a given year), states can begin to engage with congressional staff as early as the spring. Given that parallel processes occur in both the House and Senate, states can interact with committees in both chambers as well as during the conference process.

After the President delivers the budget, appropriations committee staff can discuss it with outside parties. The goal of those discussions is to increase staff understanding of the views among stakeholders—DOE, contractors, communities—including states. Congress can weigh views and help confirm the information received from other sources. Generally, Congress defers to the priorities in the President's budget (even if members disagree with the overall funding levels for the EM program), and so additional input from state regulators can help inform members' final decision.

Other Key Considerations

Given the length of time between the initial budget prioritization discussions at the site and the final consideration of appropriations bills, the situation on the ground (and therefore state priorities) may have changed. States and DOE should continue to use the initial discussions at the site level, as laid out in the 2016 guidance memo, to develop common priorities with DOE as much as is feasible. This will put shared priorities "next up" for funding, should OMB or Congress opt to increase funding beyond the initial targets. Throughout the budget process, states should also continue to discuss the effect that funding decisions at one site can have on the entire weapons complex and reinforce the need for state input.

Andrew Kambour
Program Director
Environment, Energy & Transportation Division
NGA
Center for Best Practices
202-624-3628

May 2017

This report is based on work supported by the Office of Environmental Management, U.S. Department of Energy, under Award Number DE-EM0002207.

Disclaimer: This report was prepared as an account of work sponsored by an agency of the U.S. Government. Neither the U.S. Government nor any agency thereof, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights. Reference herein to any specific commercial product, process, or service by trade name trademark, manufacturer, or otherwise does not necessarily constitute or imply its endorsement, recommendations, favoring by the U.S. Government or an agency thereof. The views and opinions of authors expressed herein do not necessarily state or reflect those of the U.S. Government or any agency thereof.

Recommended citation format: Kambour, A. *Setting Site-Specific Priorities in the Federal Budget Process for Cleanup of Nuclear Weapons Waste: Opportunities for State Engagement*. Washington, D.C.: National Governors Association, 2017.

Endnotes

¹ The Environmental Council of the States is developing a complementary document that focuses on improving state regulators' understanding of the Office of Environmental Management's budget process and timeline.

² The Federal Facilities Task Force (FFTF) is a group of governor-appointed officials from states that host or are directly affected by U.S. Department of Energy (DOE) Office of Environmental Management (EM) cleanup sites. The National Governors Association (NGA) has managed the activities of the FFTF since 1993, including interactions between states and DOE EM. The FFTF currently consists of 12 states: Idaho, Kentucky, Missouri, New Mexico, Nevada, New York, Ohio, Oregon, South Carolina, Tennessee, Texas and Washington. NGA Policy NR-03: Natural Resources includes principles on federal facilities cleanup, including early collaboration between DOE and the FFTF in the development of cleanup plans.

³ Deziel, D. (2014, June). Budget overview. Paper presented at the 2014 National Governors Association Federal Facilities Task Force Spring Meeting. Retrieved from <https://www.nga.org/files/live/sites/NGA/files/pdf/1406FFTFSpringAgendaDEZIEL.pdf>.

⁴ Analytical building blocks (ABBs) define "work scope" as a capital project, an operations activity or a program activity. One project can consist of multiple ABBs, but a single ABB cannot be established for more than one project. For more information, see Project management definitions on the U.S. Department of Energy website at https://www.emcbc.doe.gov/pmo/supporting_files/critical_decision_management_definitions.pdf.

⁵ The integrated priority list (IPL) is a prioritized listing of site work scope, categorized by analytical building block, with associated costs and mission category definitions. The IPL is a planning tool used to determine work scope and funding scenario decisions. For more information, see Project management definitions on the U.S. Department of Energy website at https://www.emcbc.doe.gov/pmo/supporting_files/critical_decision_management_definitions.pdf.