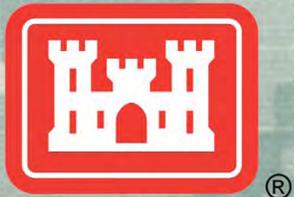


USACE DECISION MAKING

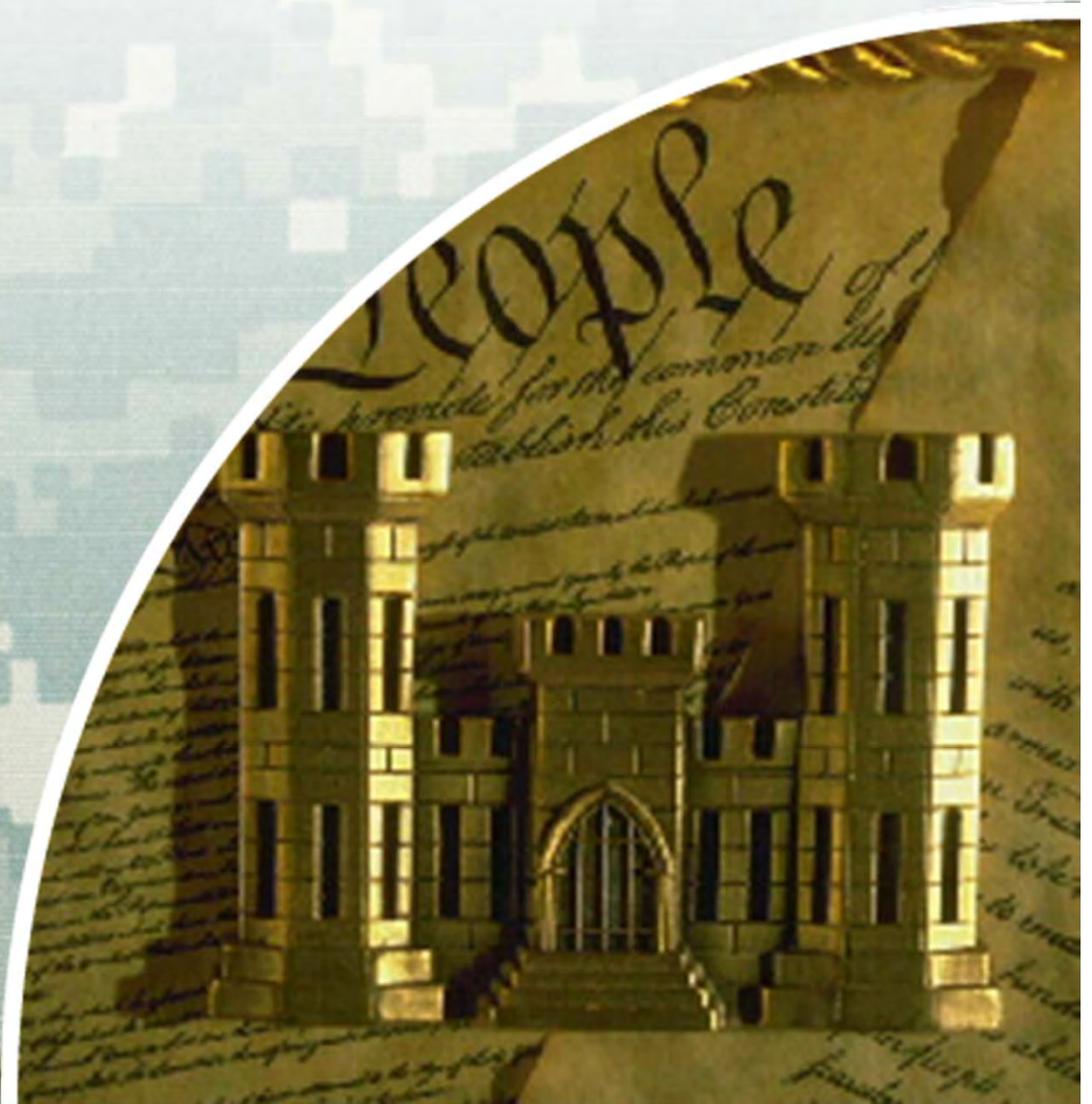
Authorizations and Appropriations

May2011

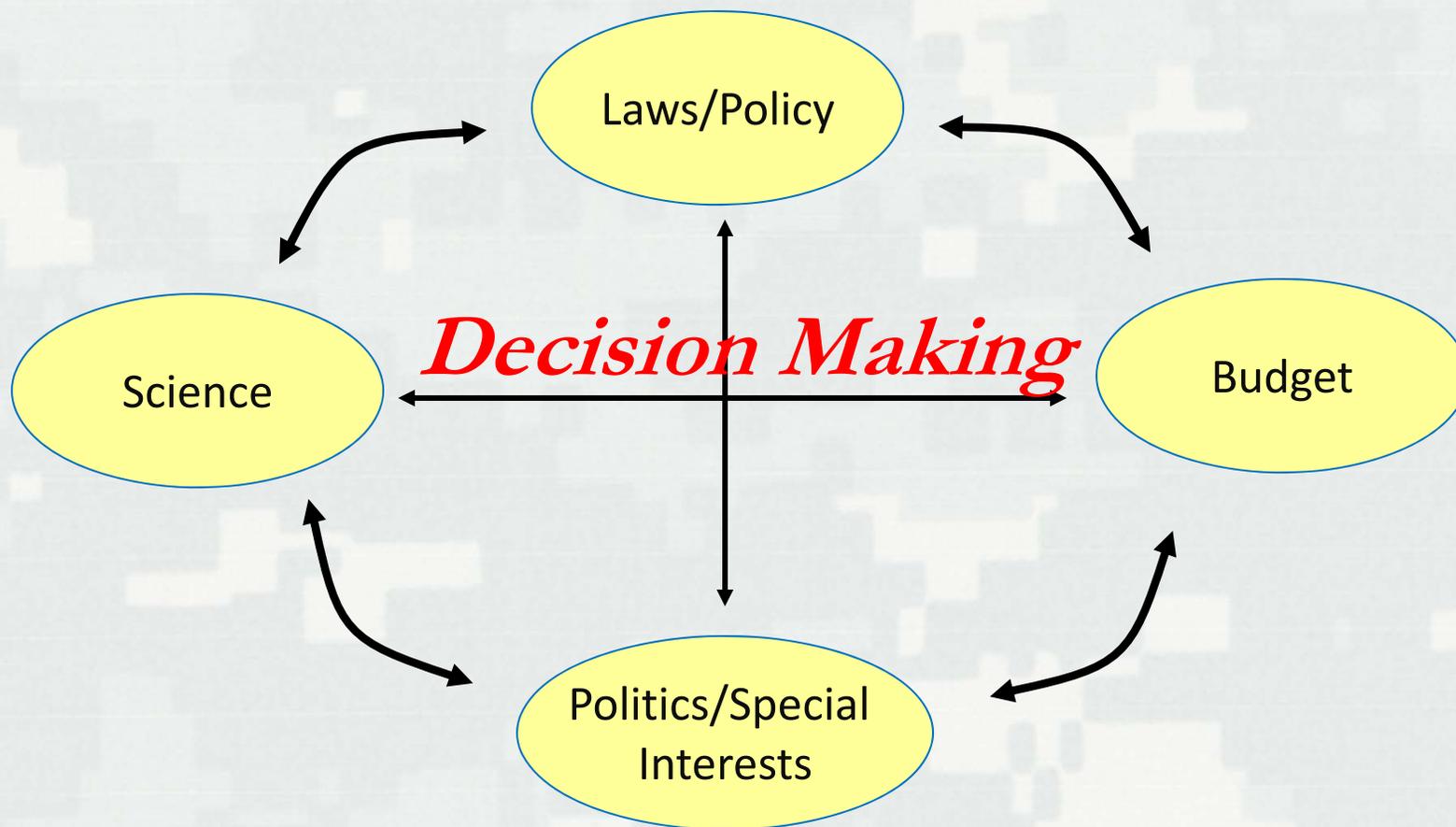


®

US Army Corps of Engineers
BUILDING STRONG®



How Are Decisions Made?



Decision Making is a mix of factors



Who Proposes...



- President's Budget Proposal
- Water Resource Development Act Proposals

Who Decides...



Authorization Committees:

- Senate Environment and Public Works
- House Transportation and Infrastructure

Appropriations Committees:

- House Subcommittee Energy and Water
- Senate Subcommittee Energy and Water



BUILDING STRONG®

USACE DECISION MAKING

- TWO SEPARATE DECISIONS
 - Authorization
 - Appropriation
- *USACE makes Recommendations, not Decisions!*

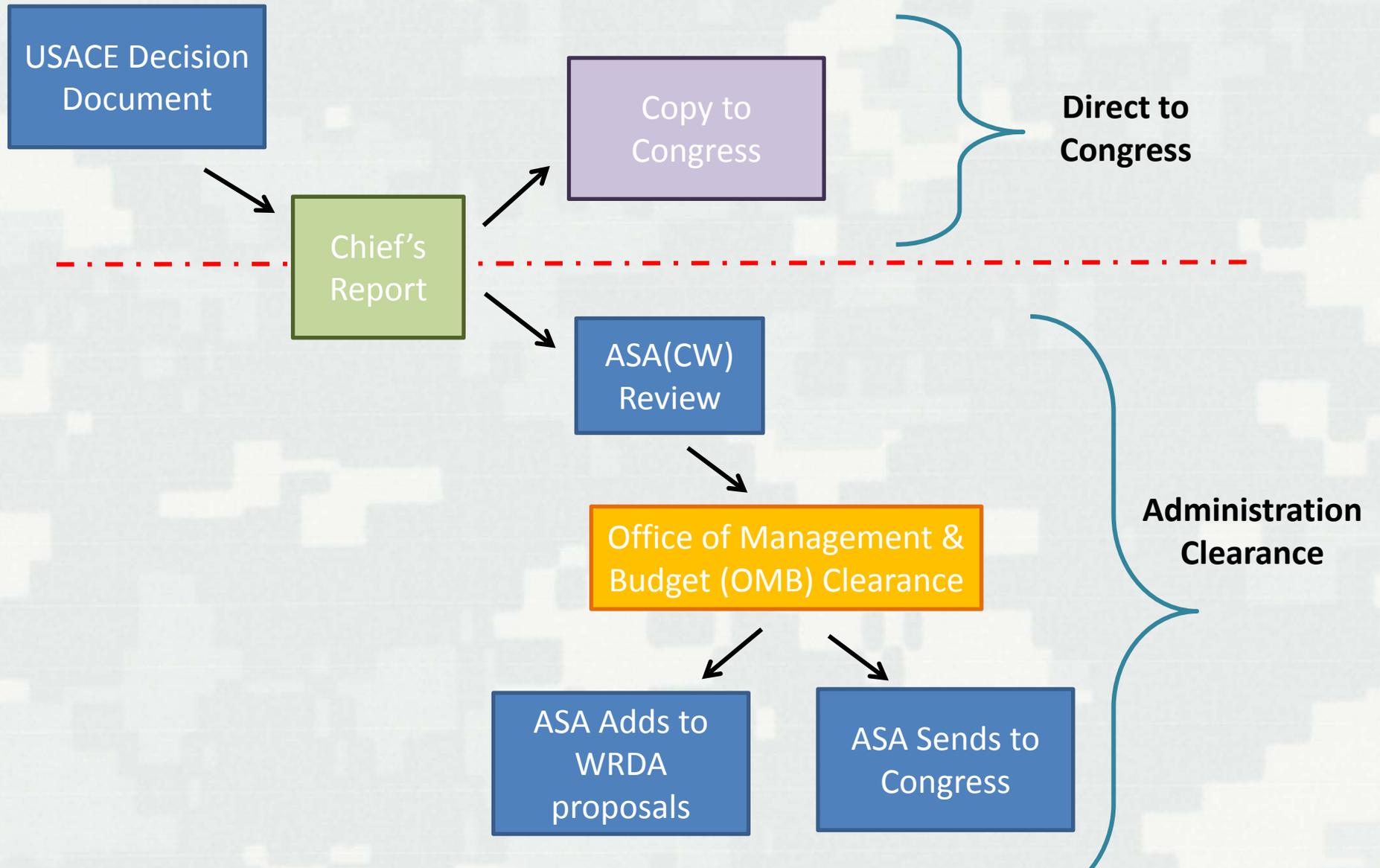


Authorization

- ***Authorization = permission to study, construct, etc....***
- USACE Authorizations typically come from Water Resource Development Acts
 - Project provisions
 - Technical provisions
 - Study process is easier
 - Study resolution and/or WRDA
- How do you get into WRDA?
 - 1) Chief of Engineer's Report
 - 2) Administration Proposal
 - 3) Congressional 'Add'



Authorization

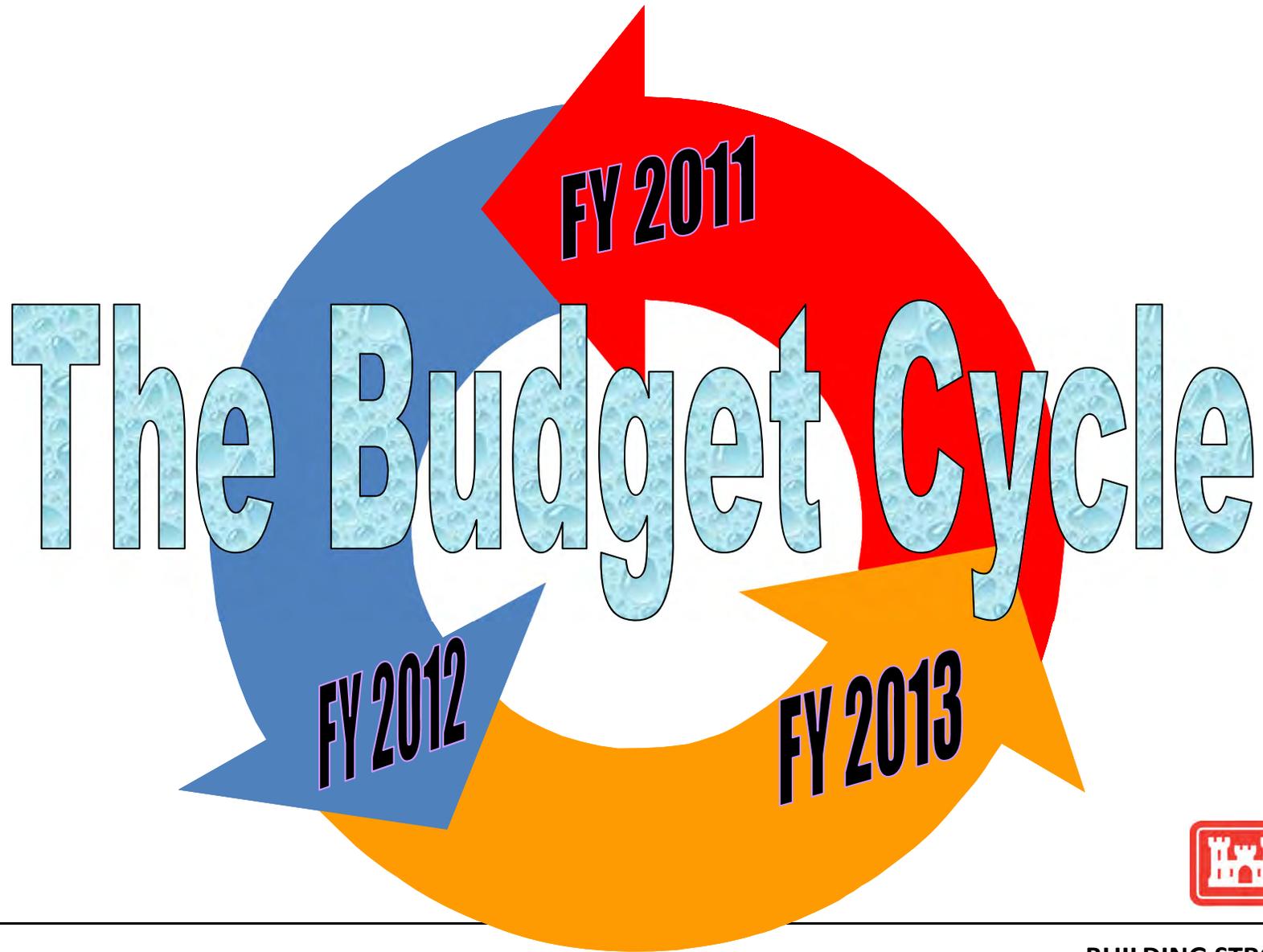


Authorization

- ***Congressional Authorization = Permission to build***
 - ***Water Resource Development Acts***
 - Comprised of technical provisions, study provisions, and project provisions
 - Scheduled: Every two years
 - Reality:
 - WRDA 1976
 - WRDA 1986
 - WRDA 1988
 - WRDA 1990
 - WRDA 1992
 - WRDA 1996
 - WRDA 1999
 - WRDA 2000
 - WRDA 2007
 - WRDA ?????
- 10 year gap
- 2-3 year predictable cycle
- 7 year gap & unpredictable schedule



Appropriation



Appropriation

- ***Appropriation = funds to execute the mission***
 - Authorization is a pre-requisite for appropriation
 - USACE appropriations are line item specific
- **3 Types of Appropriation Measures:**
- **Regular Appropriation Bills:**
 - Provide budget authority to multiple agencies for the next fiscal year
 - Must be enacted by October 1 of each year
 - e.g. Energy and Water Development
- **Continuing Resolution: (“CRA”)**
 - Continue funding generally until regular bills are enacted
 - USACE operates under a “work plan” based on prior year funding
- **Supplemental Appropriations Bills:**
 - Provide additional budget authority during the current fiscal year.
 - e.g. Iraq war spending; Katrina Disaster Recovery



Appropriation

Process Starting Point:

- Budget Resolution:

- Congressional Budget and Impoundment Control Act of 1974, as amended - the Congressional Budget Act (CBA)
- Adopted each year by Budget Committees
- Sets spending ceilings for the upcoming fiscal year
- Distributes Federal spending among 20 functional categories (such as national defense, agricultural, and transportation) and sets similar levels for each function.
- Budget Resolution IS NEVER SENT TO PRESIDENT!
- CBA provides an April 15 deadline for congressional adoption of the budget resolution



Appropriation

Congressional Appropriations Process:

- 20 functional categories in Budget Resolution:

National Defense

International Affairs

General Science, Space and Technology

Energy

Natural Resources and Environment

Agriculture

Commerce and Housing Credit

Transportation

Community and Regional Development

Education, Training

Health

Medicare

Income Security

Social Security

Veterans Benefits and Services

Administration of Justice

General Government

Net Interest

Allowances

Undistributed Offsetting Receipts



Appropriation

Congressional Appropriations Subcommittees⁽¹⁾

- Agriculture, Rural Development, Food and Drug Administration, and Related Agencies;
- Commerce, Justice, Science, and Related Agencies;
- Defense;
- **Energy and Water Development, and Related Agencies;**
- Financial Services and General Government;
- Department of Homeland Security;
- Interior, Environment, and Related Agencies;
- Departments of Labor, Health and Human Services, Education, and Related Agencies;
- Legislative Branch;
- Military Construction, Veterans Affairs, and Related Agencies;
- State, Foreign Operations, and Related Programs; and
- Departments of Transportation, and HUD, and Related Agencies.

⁽¹⁾ At the beginning of the 110th Congress the House and Senate Committees on Appropriations reorganized into 12 subcommittees.



Execution



FY11

Defense

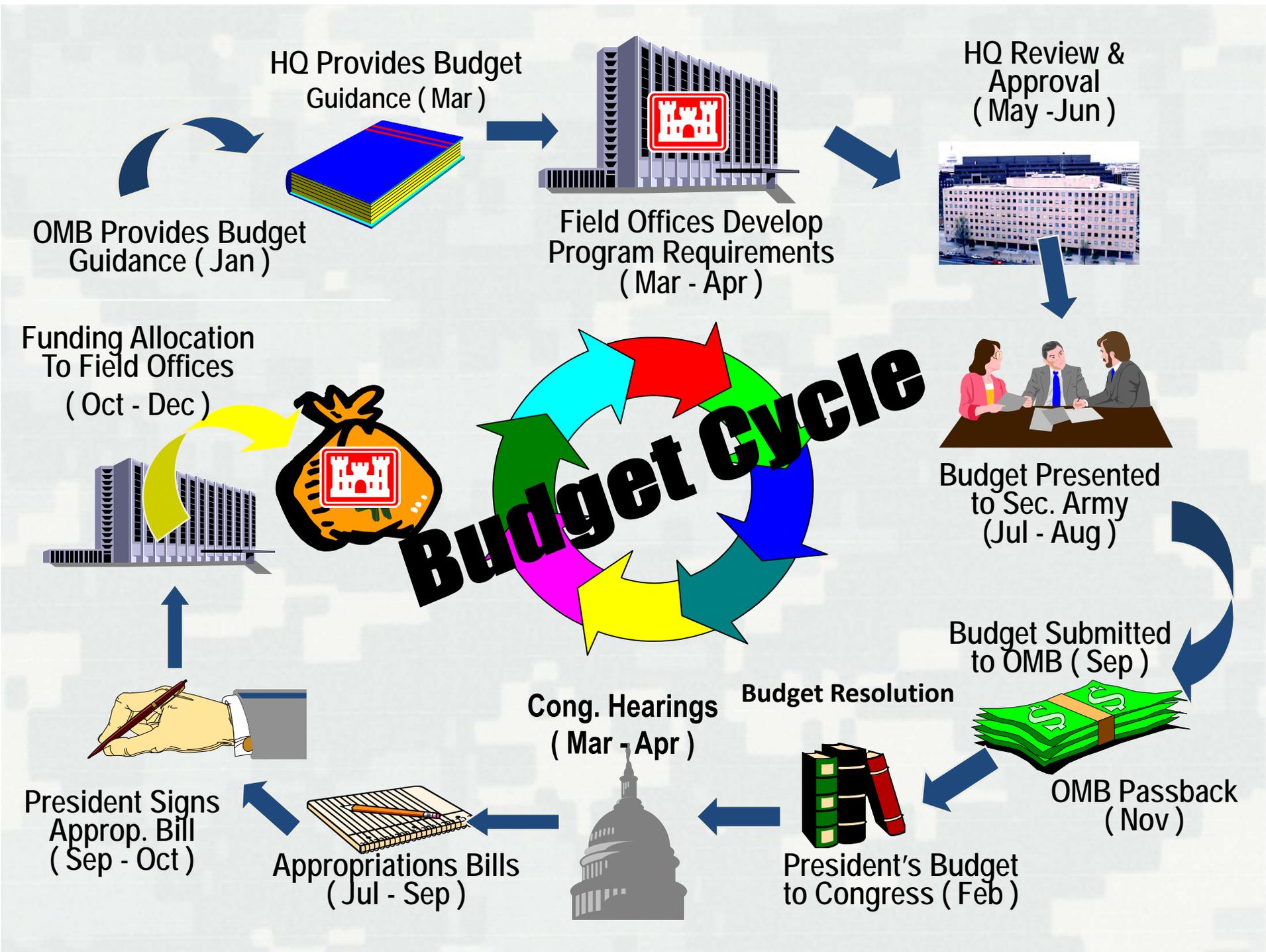


FY12

Development



FY2013



Appropriation

USACE PROCESS

- Field Requirements & Budget Criteria developed
- Justification Sheets prepared (J-Sheets)
 - Address Budget Criteria
 - Propose spending plan
 - All funds must have a J-sheet
- Budget Proposal to ASA
 - ASA Markup to OMB
 - OMB Markup (passback)
 - President's Budget Proposal
- President's Budget
 - Starting point for Negotiations
 - USACE may only be a line item at this point



USACE DECISIONS

Authorization

- **SHOULD THE USACE RECOMMEND FEDERAL PARTICIPATION (\$) IF SO, HOW MUCH?**
 - Do the Benefits outweigh the costs?
 - Is there a Federal interest
 - Is it a USACE mission?
 - Is it a priority mission?
 - Is the project policy compliant?
 - Have the costs been adequately articulated?
 - Is there a non-Federal sponsor willing to participate and meet their requirements?
 - Is there a coordinated technical response?
 - How do the stakeholders react?

Appropriation

- Is it a priority mission?
- How does it rank in budget criteria?
- Are there usable increments?
- What is the status of past execution?



BUILDING STRONG®

USACE AUTHORIZATION RECOMENDATIONS

USACE Recommendations

- Formalized in Chief's Report, referencing Decision Document
- Formal Decision Process
 - Civil Works Review Board: Formal decision on tentatively selected plan and permission to release Final Report
 - State & Agency Review: Formal State and Agency review of FINAL USACE decision
 - Chief's Report: Formal Recommendations by the Chief of Engineers

RECOMMENDATIONS TO WHO?

- Congress: Congress *may* choose to authorize based on Chief's Recommendations only (without Administration clearance)
- Administration:
 - Assistant Secretary of the Army for Civil Works
 - Office of Management and Budget
 - The Administration is not required to concur with USACE
 - The Administration may formally send report to Congress



BUILDING STRONG®

Performance Based Budgeting

- Funding distributed based on outcomes
- Highest priority work funded at efficient rate
- Lower priority work may be deferred, even if already started
- **USE PERFORMANCE MEASURES TO:**
 - Rank competing investments in each business program
 - Find performance “break points” in each business program
 - Demonstrate improved outcomes from added increments
 - Start with a “minimum” program for each business program (no new work, no new phases or contracts, previously budgeted projects only)
 - Add well-justified increments up to a nationwide “recommended” program



Role of Science

- USACE makes **Science based** Recommendations
 - Goal: be an “honest broker” in a political world
 - Objectively evaluate costs and benefits and make informed investment recommendations
 - Use External Peer Review to validate decision process
- Science is critical to the basic decisions
 - Setting Project Goals and Objectives
 - Articulating the “purpose and need”
 - Identifying targets and trade-offs
 - Articulating benefits
 - Identifying and maintaining proper sequencing and pace
- Key Challenges
 - Lack of scientific consensus
 - Trade-off’s and decision making
 - Prioritization

