



US Army Corps of Engineers



Civil Works Program Development

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202-761-1917**

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Civil Works Budget

Supports the President's Commitment to provide:

Continued sound development and management of the Nation's water and related land resources.

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CIVIL WORKS BUDGET FORMULATION

TRADITIONAL APPROACH:

- By account (Surveys and Design/Construction/O&M, etc.)
- Geographic balance considered
- Funding shortages spread across nearly all activities

BUDGETING BY PERFORMANCE:

- By business program (navigation, flood, etc.)
- Funding distributed based on outcomes
- Highest priority work funded at an efficient rate
- Lower priority work may be deferred, even if already started

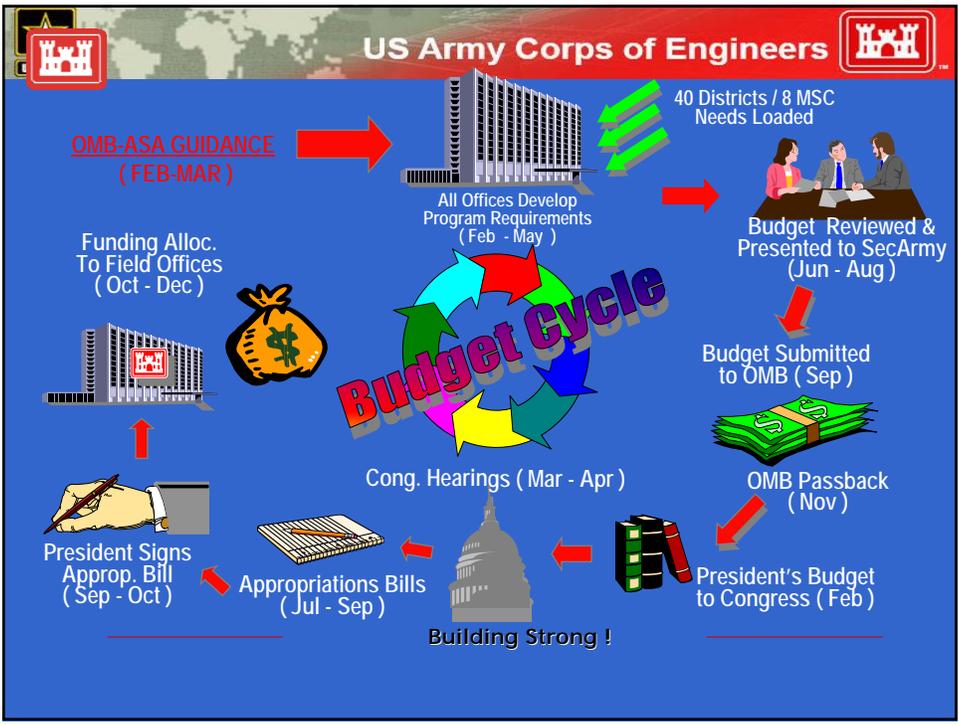
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PROGRAM STRUCTURE

<p>Business Line</p> <p>Navigation Coastal harbors; Inland Waterways</p> <p>Flood Damage Reduction Riverine Floods; Coastal Storms</p> <p>Environment Aquatic Ecosystem Restoration Stewardship Formerly Utilized Sites Remedial Action Program</p> <p>Hydropower</p> <p>Recreation</p> <p>Water Supply</p> <p>Flood Control and Coastal Emergencies</p> <p>Regulatory Program</p> <p>Support For Others</p>	<p>Account</p> <p>Investigations</p> <p>Construction</p> <p>Operations & Maintenance</p> <p>Flood Control, MR&Tribes</p> <p>Regulatory Program</p> <p>Formerly Utilized Sites</p> <p>Remedial Action Program</p> <p>Expenses</p> <p>Flood Control & Coastal Emerg</p>
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Key Budgeting Metrics

FRM & NAV & HYDRO - Benefit to Cost Ratio
FRM & NAV - Dam Safety & Seepage Stability
FRM - People in the 100-yr floodplain
FRM - Flood "Risk" Index
NAV- Tonnage movements
NAV & HYDRO - "Risk" Assessments
ENR - Loss prevention for significant natural resources

ALL - New/Continuing/Completing/Years to Complete
ALL INV - Watershed Elements
ALL CONST - ESA & compliance needs
ALL O&M - Safety, Caretaker, Compliance, Subsistence

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PROGRAM PROCESS

Use Performance Measures and Policy Direction Guidance memo to:

- Rank competing investments in each business program
- Demonstrate improved outcomes from added increments

Develop amounts based on their own internal performance metrics for:

- GE; REG; FCCE; REC; ENV Stewardship; FUSRAP

Develop Performance Based program for project competing business lines:

- Initial level (NO new work, phases or contracts, previously budgeted projects only)
- Categorize and Prioritize CG projects into Priority levels
- Add Performance Base High Return items and increments for GI and O&M items

Add to the Highest Priority, ongoing projects & contracts to "Final Budget"

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PROGRAM PROCESS cont

- OMB Ceiling program must fit to \$5.1 B (up from 2009 Budget of \$4.4B)
 - O&M Priorities determined by Business Line Managers judgment of MSC performance data beyond 75% "Initial" level
 - Construction Priorities are to continue FY 09 Budgeted Projects and incorporate high performing additions plus beach nourishment and renourishment
 - Investigations priorities determined by continuing the 09 studies and BLM evaluation of additions recommended by MSC's based on data submitted and interaction w/field
 - All done within the context of President's Management Agenda (PMA) scorecard, PART metrics and other guidance as provided ASA(CW).
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Budget Arithmetic

Civil Works Budget **\$4,800 mil**

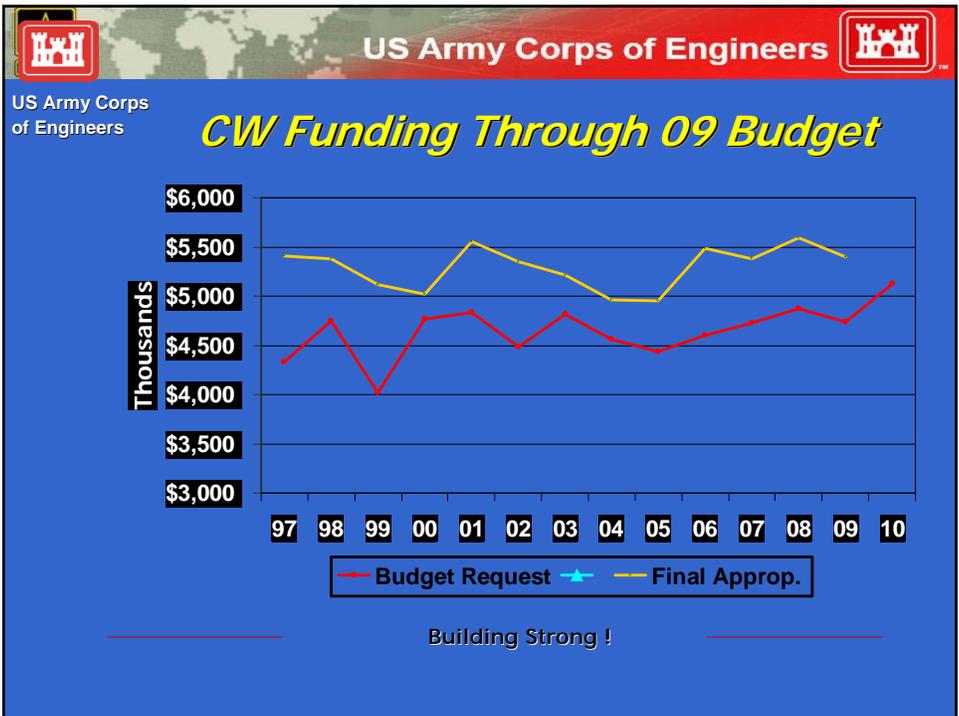
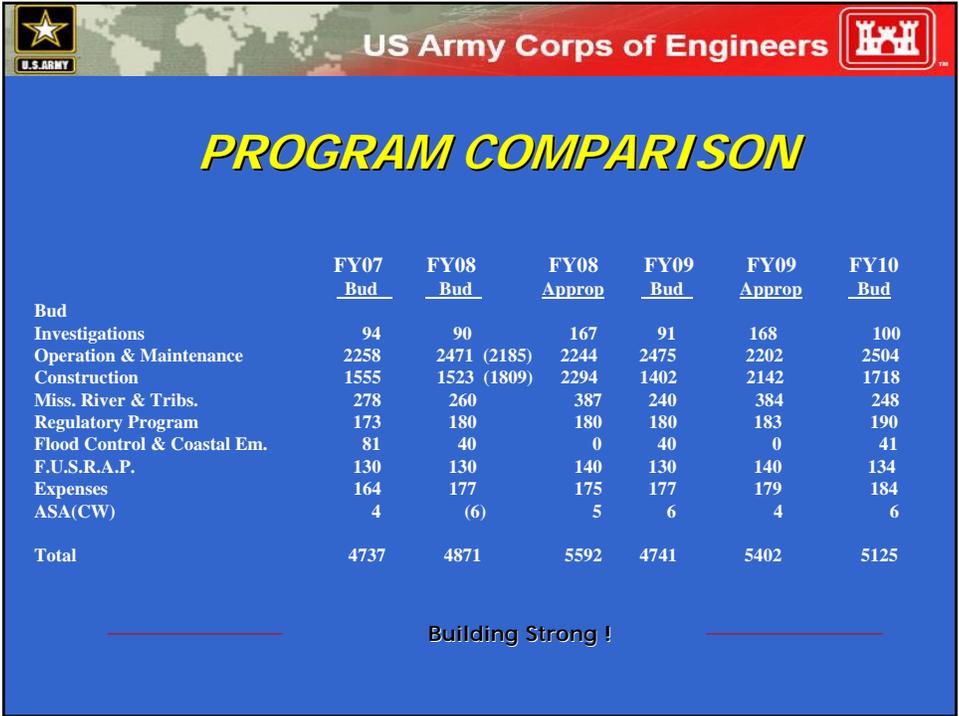
Allocate GE, REG, FCCE, REC, FUSRAP...	- 900
Allocate Base O&M (~75% of required)	- 1,800
Essential Dam Safety	- 500
Continuing Contract requirements	- 250
Mitigation, Life and MR&T	- 450
Completing and High Performing Construction	- 400
<u>Planning Activities</u>	<u>- 100</u>

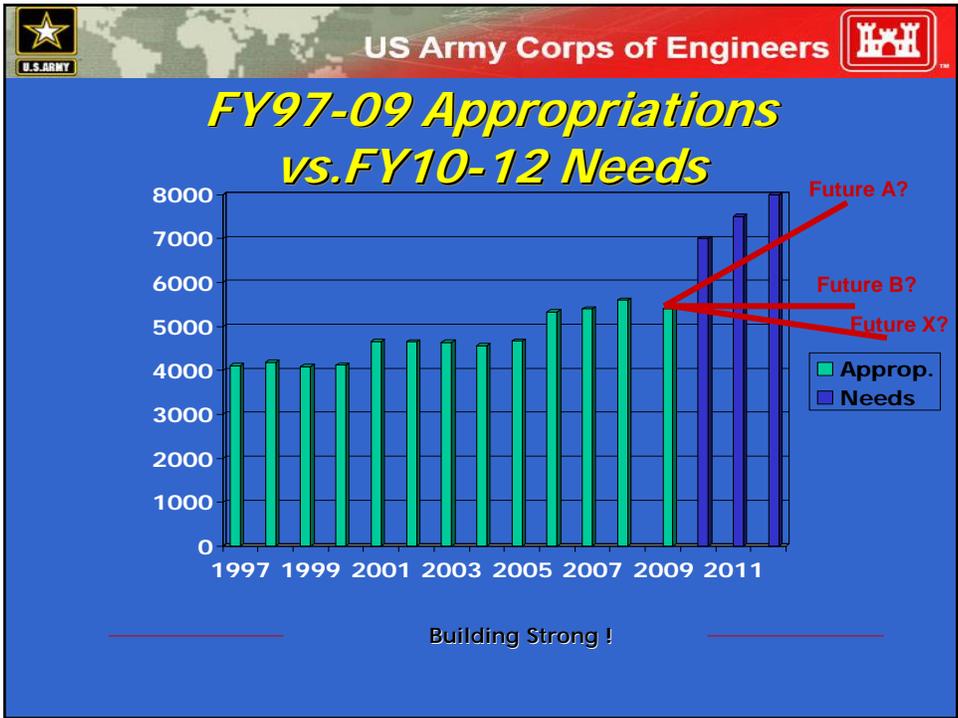
TOTAL BASE ALLOCATION **- \$4,400**

Left for all other CW Projects & Programs ? About **\$ 400M**

BUT \$400M NEEDED TO RESTORE O&M TO PRIOR LEVELS !

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APPROPRIATIONS NEWLY AVAILABLE IN FY 2009

	FY09 Conf	FY 2008 War Supp	FY 2008 CRA Supp	Recovery Act	FY 2009 Supp	Total Avail FY09
Investigations	168			25		193
Construction	2,142	2,835	1,539	2,000		8,516
Operation & Maintenance	2,202		740	2,075	43	5,060
Mississippi River & Tributaries	384		82	375		841
Regulatory	183			25		208
Flood & Coastal Emergencies		2,926	416		754	4,096
F.U.S.R.A.P.	140			100		240
Expenses	179					179
ASA(CW)	5					5
Total	5,403	5,761	2,777	4,600	797	19,338

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Be Nation's Water Resource Problem Solver

Corps should be visionary – not limited to maintenance and recapitalization

Incorporate flexible planning policies and procedures and data management tools to balance interests

Build new partnerships with other Federal agencies, States, universities

Develop business processes and organizational structures that are adaptable to “varying futures”

Regain and retain both a highly qualified staff and technological leadership in relevant fields

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Our Future: Desired End State

Use systems principles in water resources management to balance contemporary economic and environmental objectives for the welfare of current and future generations.

Federal purposes are met:

- World's best, fully modern navigation system empowers transportation and world trade
- Economic losses and human suffering from flooding are substantially reduced
- Nation's environment is protected and restored

State and local governments manage resources for their people's quality of life, supported by the Federal govt

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How We are Getting There

- Watershed-Based Approach
- Multi-party Collaborations among All Partners
- Emphasis on Watershed Objectives with Budget Priority for Comprehensive Planning
- Sustainable Integration of Constructed and Natural Systems
- Coordinated & Standardized Data Collection and Archiving
- Optimized Learning/Information Sharing
- Effective Leveraging of Partners' Resources

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CHALLENGES

Growth & Crowding Out

- Dam Safety
- Endangered Species Act Biological Opinions (ESA BiOps)
- Rehabilitations of Existing Projects

Late Appropriations

- Jan Appn; Feb Work Allowances; March Schedules
- Budget vs Appropriations Gap & Excessive Carryover

Refining and incorporating alternative metrics

- Tonnage; Risk to Life; Watersheds; ENV Significance Eval

Continuing Contracts

Systems vs Project O&M Planning and Budgeting
P2

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How We All Contribute

USACE Leadership:

- Develop the vision, goals, objectives of a comprehensive program in an open, collaborative manner emphasizing the value of Planning as a discipline

Administration:

- "Walk the performance-based budget talk."

Stakeholders:

- Contribute to vision, Goals, Objectives, Metrics

All:

- Communicate!
 - Develop the Vision to be the desired future state of water resources development
 - Create national desire for a water resources infrastructure that will serve this Nation's economic, quality of [all] life and defense needs, today and into the future.

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