

Potential Framing for Budget Advice

Purpose

The purpose of this advice is to step back and take a look at a realistic approach to the budget process. Looking at the current funding trends coming out of Washington D.C., it should be obvious to all appears evident that the additional funds needed to meet Hanford's current schedules and milestones just is not going to materialize. The challenge then becomes how we can do more for less, for example, if we were to extend Tri-Party Agreement Milestones to reflect something that could be achieved with current budgets, even though the extensions' may not set well with everyone. Think of the administrative cost alone that could be saved if we did not have to do a Tri-Party Agreement revision every other year. Additional cost saving could be achieved if the LCCR only had to be revised every other year, instead of yearly.

Comment [jj1]: As worded, the statement feels a bit derogatory/scolding and pedantic.

Comment [jj2]: That which I have suggested be deleted is not really a "purpose", rather it is an argument in support of an action that may save money. The "purpose" section, if there is to be one, should be clear and should relate solely to the "purpose" of the advice.

Background

The Hanford Advisory Board (HAB Board) subcommittee for Budgets and Contracts is once again reviewing the latest budget information available. Each year it becomes more challenging to provide meaningful advice to the US Department of Energy (DOE), because of the uncertainty of the Federal budget. The fiscal year planning for a project as complex as Hanford, is a major task. The three principle drivers of the Hanford budget are the local Department of Energy DOE budget requests submitted to headquarters, the Tri Party Agreement and The Life Cycle Cost Report (LCCR). Each of these documents provides the foundation and priorities for the cleanup of the Hanford site.

It is important to note that the budgets provided over the past 20 years, have been adequate to accomplish a large majority of the Tri-Party Agreement milestones. In addition, stimulus funds have also allowed DOE to accomplish some milestones ahead of schedule. Now, a large majority of the low level radioactive and chemical waste sites have been completed or are scheduled to be complete in the next few years. Also, significant progress has been made on ground water treatment. The issues facing the next twenty years are far more complex and costly to complete. One of the first and most important issues facing the HAB-DOE twenty years ago was tank waste. Today progress is being made with the construction of the Waste Treatment and Immobilization Plant (WTP), but technical issues and funding are causing a tremendous impact on completion. A recently discovered leak in a double shell tank liner to the annulus space in the tank has raised concern over tank integrity until the WTP begins operation. The HAB Board recommended in November 2012 that DOE build additional tank storage to support the long term WTP mission.

Comment [jj3]: Though I do not disagree, this statement still requires substantiation in the way of a foot note.

Comment [jj4]: This also requires a foot note.

Comment [jj5]: The preceding two sentences cannot be provided without substantiation.

The challenge to DOE as we move forward is to develop a method of budgeting that allows cleanup to proceed in a planned and scheduled manner. Due to increasing pressure from Congress to reduce, or flat line budgets with the previous year appropriations, it is the Board's belief -DOE will be unable to meet future milestones, especially in the tank waste area.

Preliminary Issue Manager Framing

The HAB believes that current funding levels will be maintained for the next decade. The challenge is to revise current schedules and milestone and adjust them in accordance with the funding outlays. The idea of shutting down a project because of funding short falls is not acceptable. All current work can be maintained with schedule adjustments. Any budget or schedule changes bring up the question about priorities and ~~t~~The HAB Board would like to work with DOE to reestablish priorities that can be accomplished within budget levels. It is the belief of the Board that ~~T~~the current budget projections included in the TPA and LCCR are simply not achievable.

Comment [jj16]: I believe you cannot make that statement at this point. I certainly do not believe current funding levels will be maintained for the next decade.

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Comment [jj17]: How do we know all current work can be maintained with schedule adjustments? My belief there are instances when it cannot.

WTP construction has been moving forward for a decade with a guaranteed funding level from Congress of 690 million per year. This funding level has moved the project forward in a consistent manner, although some activities were constrained by the budget. Today, a decade later, the planning and scheduling documents all show a ramp up of funds to meet completion and startup milestones. In addition, the pre-treatment design is in question, the project is being re-baselined and Low Activity Waste has not been fully addressed. Each of these issues will have a significant impact on future budgets. The HAB Board believes that by working together we can overcome these ~~hurles~~ hurdles.

Potential Advice Concepts

1. Put together a workshop, which consists of the Tri-Parties and ~~re~~-representatives of the HAB Board. This workshop would focus on current milestones to determine if they are achievable with-in current schedules and funding.
2. The ~~fallout~~ results of ~~from~~ the workshop should then be prioritized and schedules adjusted as appropriate.
3. DOE should work with congress to establish a funding level that can be guaranteed for the next decade, even if the budget is flat lined.
4. Future planning and scheduling should included LAW and Pretreatment.
5. Once milestones and schedules are agreed upon, tank waste storage must be addressed and, if needed, new tank construction funded, with funds in addition to current funds.