

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 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.

Background

The Hanford Advisory Board (HAB) 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 Department of Energy, 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 budget are the local Department of Energy budget requests submitted to headquarters, the Tri Party Agreement and The Life Cycle Cost Report. 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 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 has raised concern over tank integrity until the WTP begins operation. The HAB recommended in November 2012 that DOE build additional tank storage to support the long term WTP mission.

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, 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 the HAB would like to work with DOE to reestablish priorities that can be accomplished within budget levels. The current budget projections included in the TPA and LCCR are simply not achievable.

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 believes that by working together we can overcome these hurdles.

Potential Advice Concepts

1. Put together a workshop, which consists of the Tri-Parties and re-representatives of the HAB. This workshop would focus on current milestone to determine if they are achievable with in current schedules and funding.
2. The fallout 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 scheduled are agreed upon, tank waste storage must be addressed and if needed new tank construction funded, with funds in addition to current funds.