Its All About the Money

A Presentation to the NOAA Leadership Seminar

Steven Gallagher
NOAA Budget Director

July 31st, 2008
Agenda

• NOAA Budget Office Organization

• Budget Process

• Budget Environment and Status

• Advice to Leadership Seminar Attendees
NOAA Budget Office Organization

Steve Gallagher, Budget Director

- Patricia Johnson, Budget Formulation
- Julie Hite, Budget Outreach and Communication
- Jim Leduc, Budget Execution
- Sherry Morrissette, Corporate Financial Management
Budget Formulation Division

- Leads development of the DOC, OMB, and Congressional budget submissions
- Conducts budget and program analysis to support budget proposals
- Develops recommendations on budget proposals for NOAA Leadership
- Develop budget formulation guidance and decision documents
- Maintains NOAA Budget control table
- Prepare external performance reports information including the OMB PART and Annual Performance Plans
Budget Outreach & Communications

- Coordinates, facilitates, reviews and tracks responses to requests for information

- Coordinates briefings to DOC, OMB, and Congress on budget submissions and other budget related matters

- Produces NOAA’s Blue Book

- Facilitates site visits for DOC, OMB, and Congressional visitors

- Tracks all Appropriations related issues and legislation

- Develops impact statements for pass-backs and markups
Budget Execution

- Oversees current year fiscal budget execution, including distribution and reporting of resources
- Develops apportionments and allotments
- Reviews and approves budget operating plans
- Tracks and reports current year data for all internal and external customers
- Responses to DOC Budget Data Requests
Corporate Financial Management Division

- Provides financial management for agency-wide administrative and financial support services

- Reviews and approves NOAA Direct Bill and DOC Working Capital Fund expenditures

- Formulates and executes the budget for Corporate Finance and Administrative Services including:
  - Acquisitions and Grants
  - Workforce Management
  - Information Technology
  - Financial Services
  - Facilities
  - Chief Administrative Officer
  - Under Secretary’s Office
Budget Process
NOAA Budget and PPBES

Planning
- Set long-term strategic direction
- Evaluate trends, requirements, & stakeholder needs and adjust NOAA-wide priorities

Programming
- Analyze NOAA’s ability to meet its strategic goals and objectives
- Align resources to meet NOAA priorities

Budgeting
- Adjust Program Plan to meet budget guidance & new requirements
- Develop Budget
- Allocate and manage finances

Execution
- Execute adjusted Program Plan
- Optimize operations
- Monitor progress and adjust

Closeout
- Evaluate performance and report progress

Products
- NOAA Strategic Plan
- Annual Guidance Memorandum
- Program Operating Plans & Goal Portfolio Assessments
- Programming and Fiscal Guidance
- Program Decision Memorandum
- NOAA Program
- NOAA Budget
- DOC Budget
- President’s Budget
- Fiscal Plans & Reports
- Annual Operating Plans
- Budget Operating Plans
- Employee Performance Plans
- Financial Statements and Audit
- Business Report
- Program reports
- Employee appraisals

Current fiscal year
2.5 years later
## Executive Branch Budget Calendar

<table>
<thead>
<tr>
<th>Activity</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOAA Guidance (January)</td>
<td>January</td>
</tr>
<tr>
<td>NOAA Review &amp; Decisions</td>
<td>March-April</td>
</tr>
<tr>
<td>DOC Guidance</td>
<td>May</td>
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<tr>
<td>DOC Submission &amp; Review</td>
<td>May-July</td>
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<tr>
<td>DOC Passback &amp; Appeals</td>
<td>Late July</td>
</tr>
<tr>
<td>OMB Guidance</td>
<td>August</td>
</tr>
<tr>
<td>OMB Submission &amp; Review</td>
<td>September-October</td>
</tr>
<tr>
<td>OMB Passback &amp; Appeals</td>
<td>Late November</td>
</tr>
<tr>
<td>Submission To Congress</td>
<td>Early February</td>
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NOAA Budget Proposal Review

• Consider “exception” requests to NOAA Program
  • Data adjustments required to reflect FY 09 PB
  • Program or operational changes from recent events

• Require Line Offices and Goal Team Leads to submit priorities for all increases

• Review and scored each increase using the following criteria
  • Justification and backup
  • Performance linkage
  • Ability to execute
  • Funding history & success probability
# Congressional Appropriations Calendar

<table>
<thead>
<tr>
<th>Activity</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>President and Leadership Priorities</td>
<td>Early February</td>
</tr>
<tr>
<td>Budget Committee Allocations</td>
<td>March-April</td>
</tr>
<tr>
<td>Full Committee for Appropriations Allocations</td>
<td>April</td>
</tr>
<tr>
<td>Sub Committee for Appropriations Allocations</td>
<td>April-May</td>
</tr>
<tr>
<td>House &amp; Senate Committee Hearings</td>
<td>March-April</td>
</tr>
<tr>
<td>House &amp; Senate Committee Markups</td>
<td>June-July</td>
</tr>
<tr>
<td>House &amp; Senate Floor Passage of Bills</td>
<td>June-September</td>
</tr>
<tr>
<td>Conference Committee Markup</td>
<td>September-October</td>
</tr>
<tr>
<td>Conference Bill Passage</td>
<td>December-January</td>
</tr>
</tbody>
</table>
## Budget Calendar

<table>
<thead>
<tr>
<th>1st Quarter</th>
<th>2nd Quarter</th>
<th>3rd Quarter</th>
<th>4th Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>October to December</td>
<td>January to March</td>
<td>April to June</td>
<td>July to September</td>
</tr>
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### FY 2008 Enacted Budget
- Operate Under a Continuing Resolution
- Receive Final Appropriations
- Develop Spend Plans and Impacts
- Distribute Budget Allocations
- Monitor Rate of Expenditure
- Provide Oversight for Closeout of FY

### FY 2009 Presidents Budget
- Submit and Advocate Budget to OMB
- Finalize Budget Levels
- Prepare Budget Document
- Support Hearings
- Brief Members, Constituents, & Committees
- Brief Staff and Prepare Markup Assessments
- Respond to Budget Drills
- Prepare Assessment on Final Conference Mark

### FY 2010 DOC Budget Submission
- Engage and Monitor NOAA Programming Process
- Review Final Program
- Prepare Guidance
- Review Budget Submissions
- Finalize Recommendations
- Brief Leadership
- Prepare and Brief Budget to DOC
- Respond to DOC Passback
- Prepare Current Services Budget
- Prepare Materials for Transition
Budget Environment & Status
Budget Context

- NOAA services crucial to our nation’s competitiveness
- Increasing need to monitor and understand global climate change
- Increasing pressure on ocean and coastal resources
- Severe weather affecting our economy and public safety
- NOAA environmental information key to millions of decisions
- Society’s demand for NOAA’s services is trending upward
Budget Update

• Limited Growth Budget expected for either new Administration
• Fiscal constraint and deficit reduction will be a priority theme
• Congress unlikely to pass a budget until new Administration in place
• House and Senate Marks for NOAA were very good
• Marks may not be good indicator for final appropriation given uncertainty
• Federal Government likely to operate under a long term CR
• Terms of CR for NOAA are important
• Satellites, Fuel, and Pay Raises are top concerns
• Final Conference Mark may not be known until end of 2nd Quarter
NOAA Budget Trends

($ in billions)
NOAA - Outyear Budget Profiles

(Dollars in Millions)

Operating (ORF)  Capital (PAC)
FY 2009 President’s Budget

- Request $4,109.8M an increase of $202.6M and 5.2% over the FY 08 Appropriation
- Supports NOAA’s Core Mission Services
- Restores funding levels from FY 08 President’s Budget
- Funds for Inflation including the Pay Raise
- Supports Key Capital Acquisitions for Satellites and Facilities
- Continues Investment in the President’s Ocean Initiative
- Supports Climate Change Research and Observations
- Support Investments in Weather Forecast Infrastructure
FY 2009 Budget Priorities

1) Sustaining Critical Operations

2) Supporting the President’s Ocean Initiative

3) Improving Weather Warnings & Forecasts

4) Climate Monitoring and Predictions

5) Critical Facility Investments
## Summary by Line Office

<table>
<thead>
<tr>
<th>Line Office</th>
<th>FY 2008 Enacted</th>
<th>FY 2009 President’s Request</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOS</td>
<td>$535.6</td>
<td>$488.2</td>
<td>(8.8%)</td>
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<tr>
<td>NMFS</td>
<td>$828.4</td>
<td>$782.3</td>
<td>(5.6%)</td>
</tr>
<tr>
<td>OAR</td>
<td>$397.7</td>
<td>$382.6</td>
<td>(3.8%)</td>
</tr>
<tr>
<td>NWS</td>
<td>$910.5</td>
<td>$930.7</td>
<td>2.2%</td>
</tr>
<tr>
<td>NESDIS</td>
<td>$954.1</td>
<td>$1,157.9</td>
<td>2.1%</td>
</tr>
<tr>
<td>PS/OMAO</td>
<td>$449.2</td>
<td>$519.1</td>
<td>15.6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,907.3</strong></td>
<td><strong>$4,109.8</strong></td>
<td><strong>5.2%</strong></td>
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Observations for Attendees
Observations for Seminar Attendees

- Resources Drive Organizations
- Budget Knowledge Critical for Success
- Rotations are Important for Advancement
- Training Critical to Success
- Understanding Process and Key Players