



Its All About the Money

A Presentation to the
NOAA Leadership Seminar

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NOAA Budget Director

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Agenda



- NOAA Budget Office Mission and Organization
- Budget Overview and Process
- Budget Environment and Status
- Observations for Attendees



NOAA Budget Office

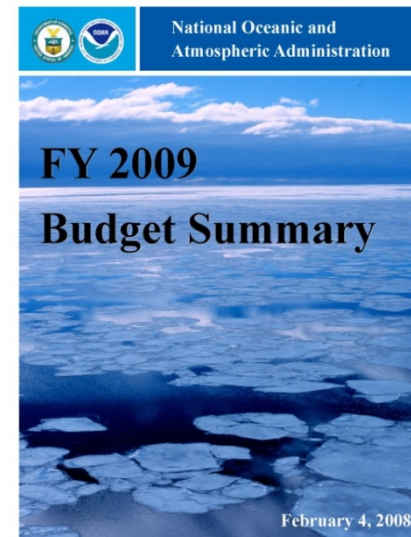


Mission

Oversees and manages NOAA's budget process by developing guidance, reviewing proposals, and preparing supporting documentation for the submission of an annual budget. Provides for the allocation and execution of all budgetary resources as required under the Congressional Budget and Impoundment Act of 1974 (31 U.S.C. 11). Conducts outreach and communication, particularly with the staff of Congressional Appropriations committees, Department of Commerce, and OMB.

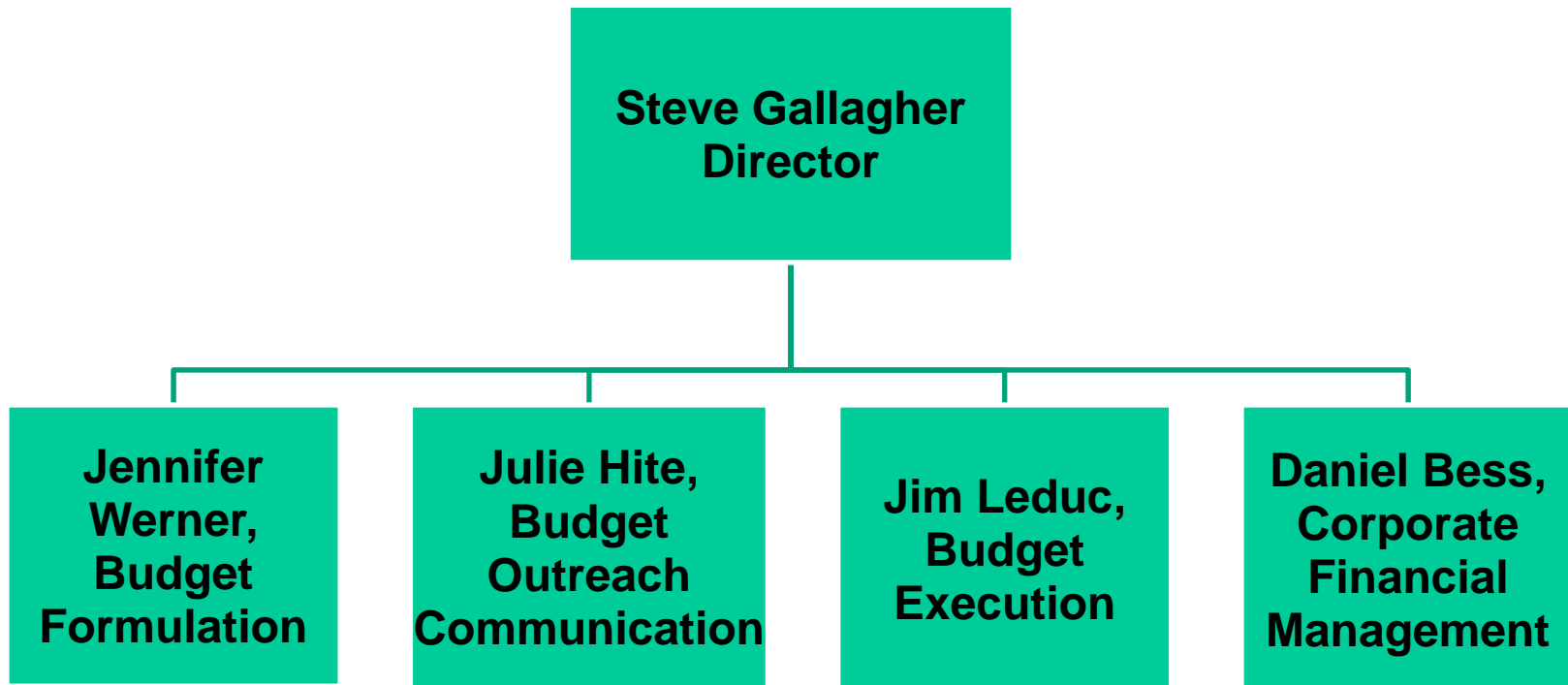
Major Responsibilities

- Budget Analysis & Formulation
- Budget Allocation & Execution
- Annual Performance Plan
- Congressional Budget & Appropriations
- Performance Report
- Corporate Financial Management





NOAA Budget Office Organization





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 Overview & Process



Budget Overview

- Consists of two major appropriation accounts
- *Operations, Research, and Facilities(ORF)*
 - Recurring operating budget for NOAA
 - Represents \$3B in expenditures or 75% of budget
 - Appropriated with 2 year expiration
 - Includes primarily personnel and other recurring costs
- *Procurement, Acquisition, & Construction(PAC)*
 - Capital infrastructure projects
 - Represents \$1B or 25% of the total budget
 - Appropriated with 3 year expiration
 - Includes systems acquisitions and facility construction



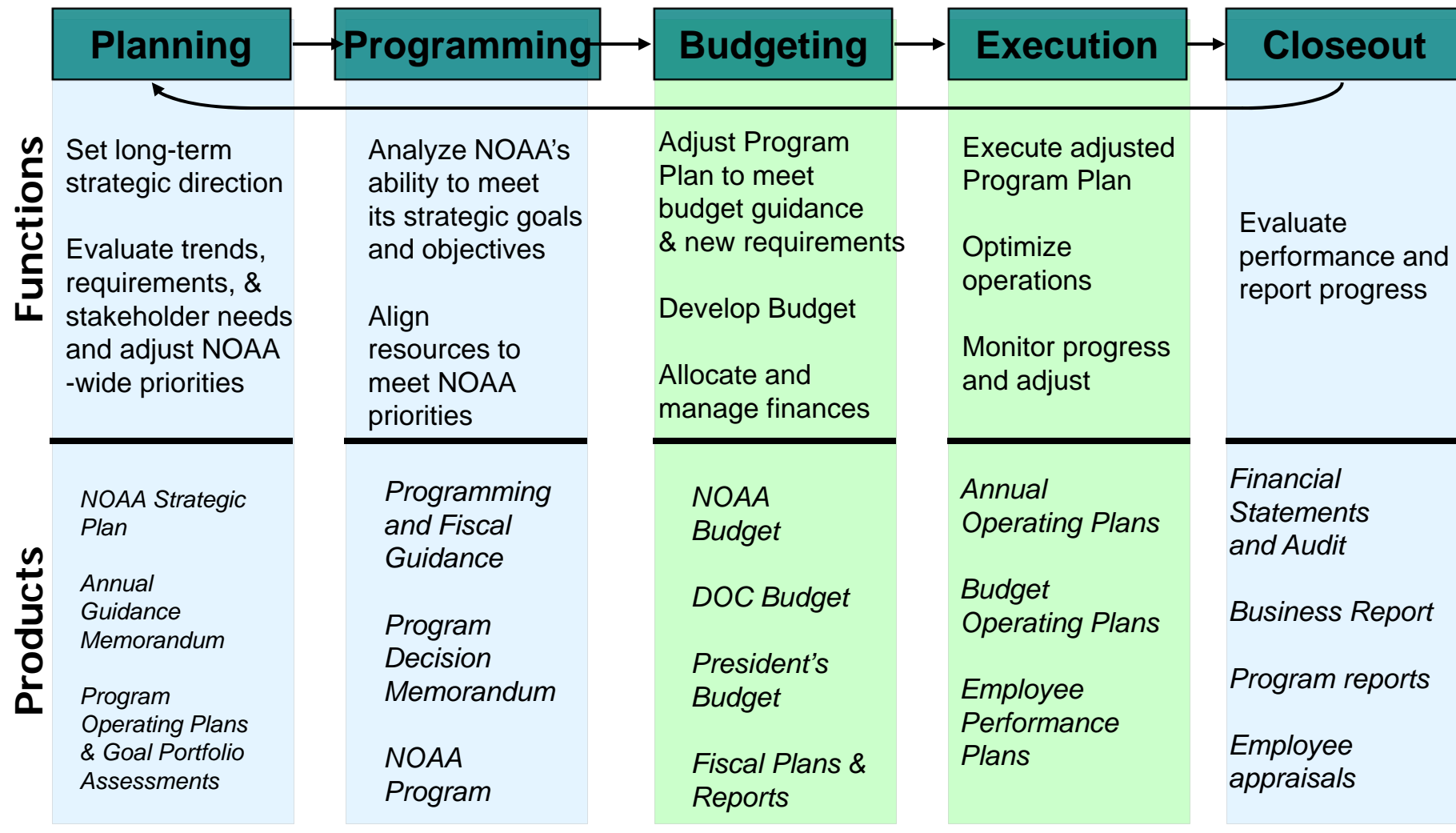


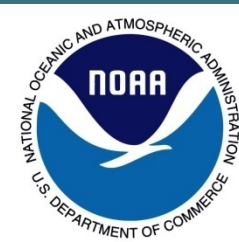
Budget Overview

- NOAA also administers a number of coastal and fisheries related funds with mandatory and discretionary authorities, including the Pacific Coastal Salmon Recovery Fund.
- NOAA also conducts work on behalf of other Federal Agencies under reimbursable agreements totaling over \$340M per year.
- NOAA's Budget is allocated by the Office of Management and Budget and Congress by Budget Authority and Budget Outlays.
- NOAA's Budget is scored under the "Environment" & "Homeland Security" section of the Federal Budget.
- NOAA's Budget is included in the Commerce, Justice, Science Subcommittee with the Full Appropriations Committee



NOAA Budget and PPBES





Budget Calendar

	1st Quarter October to December	2nd Quarter January to March	3rd Quarter April to June	4th Quarter July to September
FY 2009 Enacted Budget	-Operate Under a Continuing Resolution	-Receive Final Appropriations -Develop Spend Plans and Impacts	-Distribute Budget Allocations -Monitor Rate of Expenditure	-Monitor Rate of Expenditure -Provide Oversight for Closeout of FY
FY 2010 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 2011 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 Formulation Process

- Consider “exception” requests to NOAA Program
 - Data adjustments required to reflect FY 10 PB
 - Program or operational changes from recent events
- Required Line Offices and Goal Team Leads to submit priorities for all increases
- Reviewed and scored each increase using the following criteria
 - Justification and backup
 - Performance linkage
 - Ability to execute
 - Funding history & success probability



Congressional Budgeting

"No money shall be drawn from the treasury, but in consequence of appropriations made by law, and a regular statement and account of receipts and expenditures of all public money shall be published from time to time."

- US Constitution, Article 1, section 9

- Appropriations Committees are among the most powerful in Congress
- 12 Separate Subcommittees in both the House and Senate split by functional areas
- For example, Defense, Agriculture, State, and Homeland Security
- NOAA's covered under the Commerce, Justice, Science (CJS) Subcommittees
- CJS Bill totals over \$60B including funding for NASA, NSF, DOC, and Justice Dept.



Congressional Process





Key Oversight Committees



- House Appropriations Subcommittee for Commerce, Justice, Science
 - Chair Rep. Allan Mollohan (D-WV)
 - Ranking Member Rep. Frank Wolf (R-VA)
 - Key Staffer Adrienne Simonson, Majority
- Senate Appropriations Subcommittee for Commerce, Justice, Science
 - Chair Senator Barbara Mikulski (D-MD)
 - Ranking Member Senator Richard Shelby (R-AL)
 - Key Staffer Jeremy Weirich, Majority



Budget Challenges

- Fiscal constraints for federal discretionary spending
- Overall funding to meet mandates and demand for services
- Recapitalization of satellites, vessels, and facilities
- Growing cost of personnel and infrastructure
- Absorbing inflationary and administrative costs
- Operating under long term continuing resolutions
- Congressional earmarks
- Repair and maintenance of vessels and facilities



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
- NOAA was recognized and funded in recent Stimulus Bill!



FY 2010 Budget Update

- President's Budget released in May
- Compressed Congressional Review Process
- FY 2010 House and Senate Marks for NOAA were very good
- NOAA funded at \$4.6B in House and \$4.8B in Senate
- Bipartisan support for NOAA still strong
- Overall, general trend away from hard earmarks
- New NOAA Leadership making a difference
- Conference is expected in September 2009



FY 2010 President's Budget

- Request \$4,483.5M an increase of \$109.7M and 2% over the FY 09 Appropriation
- Supports NOAA's Core Mission Services
- Funds for Inflation including the Pay Raise
- Supports Key Capital Acquisitions for Satellites and Facilities
- Support Magnuson Steven Implementation and Catch Shares
- Supports Climate Change Research and Observations
- Support Investments in Weather Forecast Infrastructure



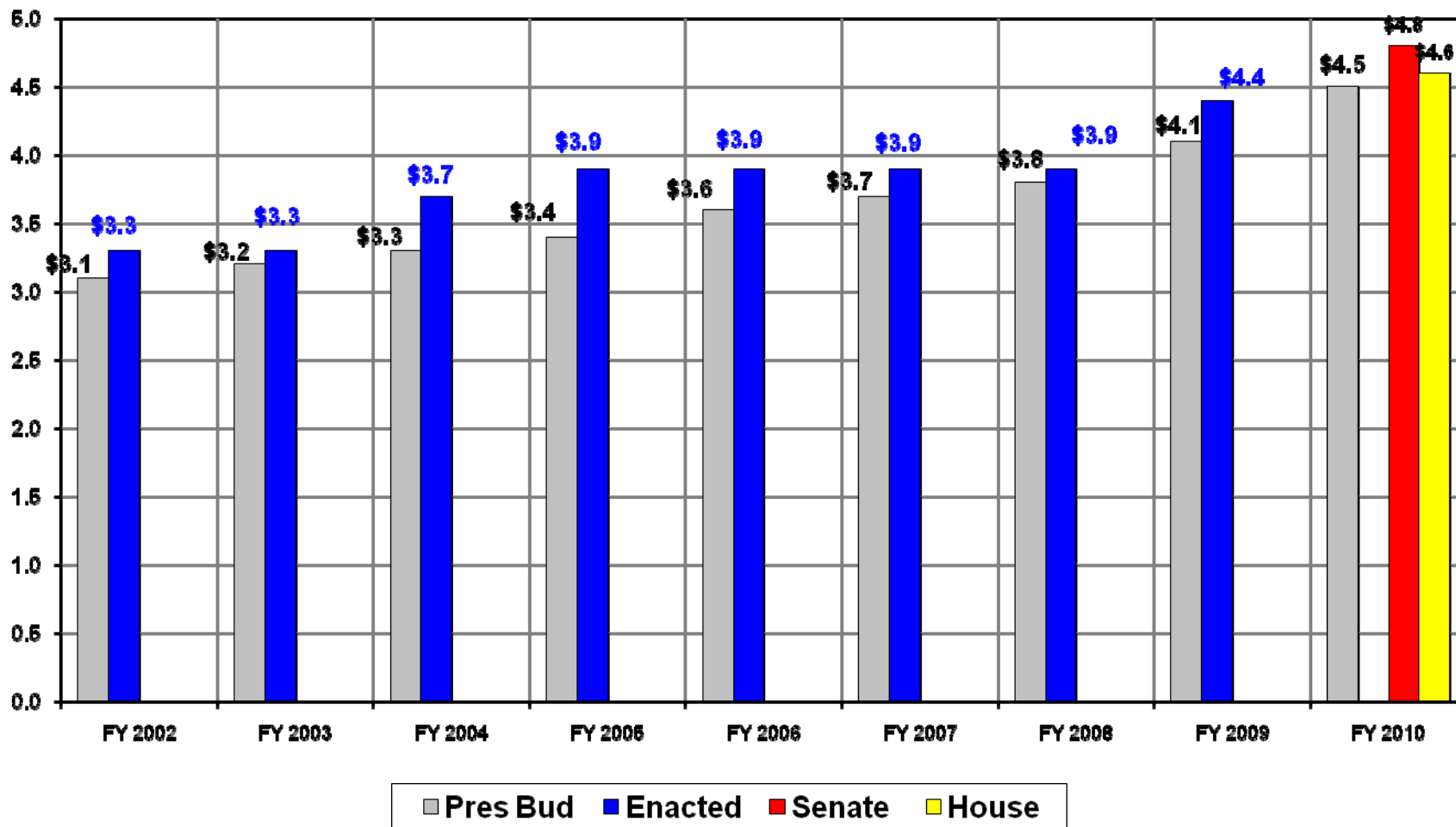
Budget Summary

Line Office	FY 2009 President's Budget	FY 2009 Enacted	FY 2010 Presidents Budget (PB)	FY 2010 PB vs Enacted
NOS	\$485.0	\$558.8	\$502.6	(\$56.2)
NMFS	\$779.8	\$878.2	\$911.7	\$33.5
OAR	\$382.5	\$408.3	\$404.5	(\$3.8)
NWS	\$943.0	\$958.9	\$963.8	\$4.9
NESDIS	\$1,157.7	\$1,178.0	\$1,428.6	\$250.6
OMAO	\$198.2	\$215.5	\$197.3	(\$18.2)
Program Support	\$320.8	\$343.2	\$255.5	(\$87.7)
Total	\$4,109.8	\$4,373.8	\$4,483.5	\$109.7



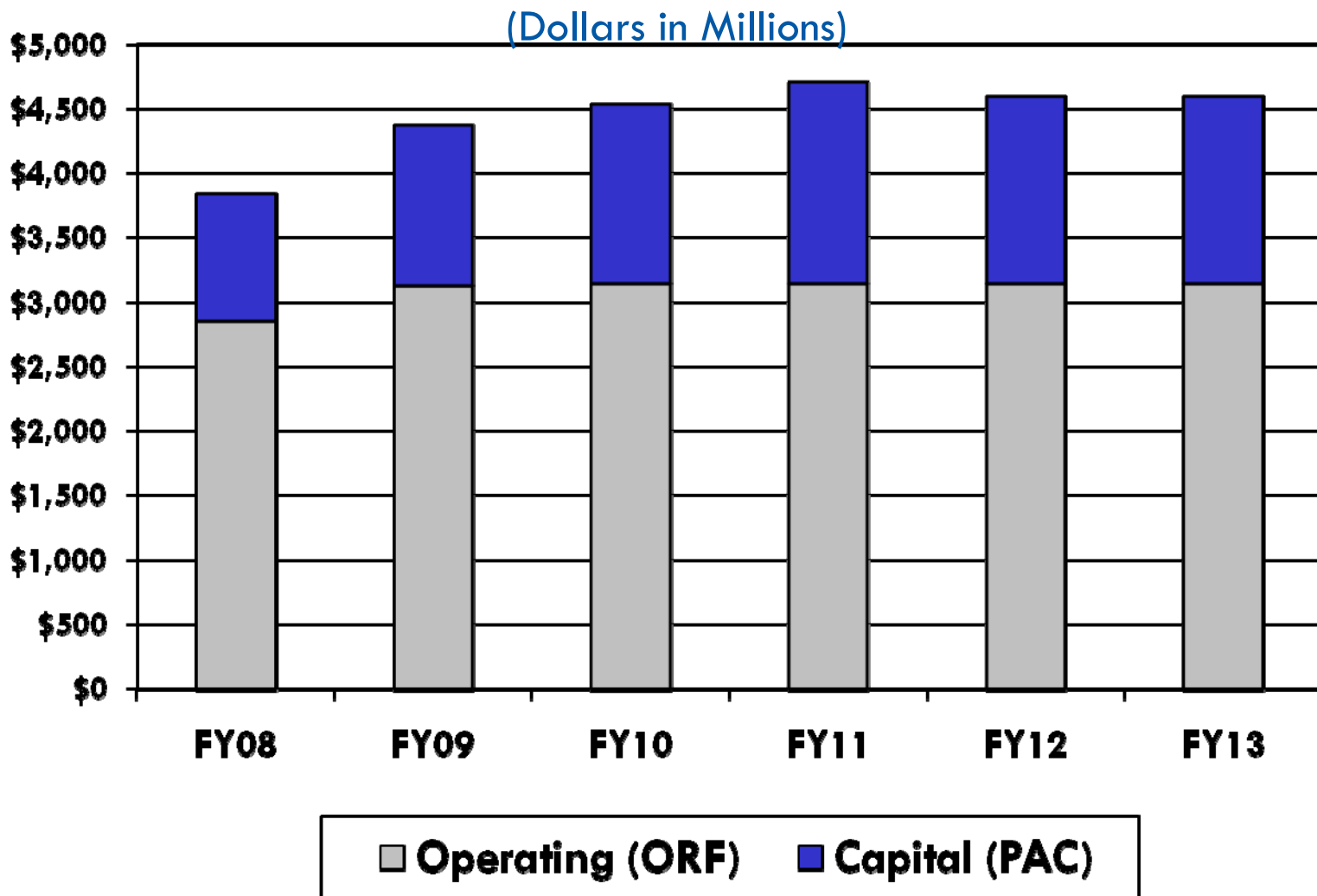
NOAA Budget Trends

(\$ in billions)





NOAA - Outyear Budget Profiles





FY 2011 Budget Submission



- FY 2011 should be an interesting test for budget
- First complete budget cycle for new Administration
- Fiscal constraint and deficit reduction a priority theme
- Environmental programs also a priority especially climate and oceans
- NOAA FY 2011 Budget currently at DOC
- NOAA requested a total of \$5.4B in an above guidance request
- NOAA priorities included: Fisheries Management, Satellites Continuity, Climate Services, and Ocean and Coasts
- DOC Passback scheduled for August 5th with final decisions anticipated by August 14th



Observations for Attendees



Observations for Seminar Attendees



- Resources Drive Organizations
- Budget Knowledge Critical for Success
- Ability to Communicate in both Program and Budget Speak
- Rotations are Important for Advancement
- Training Critical to Success
- Understanding Process and Key Players



Follow-Up

- Questions?
- Steven.Gallagher@noaa.gov
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- AskNOAABudget@noaa.gov