



***Program Development & Management:
U.S. Army Civil Works Program***

**Alaska Regional Ports and Harbors
Conference
Anchorage, AK
10-11 Jan 2008**

***Gary Loew, Chief, Programs Integration Division
Directorate of Civil Works
U.S. Army Corps of Engineers***

The image shows several stacks of US one hundred dollar bills, bundled together with blue paper bands. The bills are fanned out, showing the top of each bill. The text "ONE HUNDRED DOLLARS" and "100" are visible on the bills. The background is a gradient of blue and yellow. The title "Future Budget Trends" is centered over the image in a bold, italicized black font.

Future Budget Trends



**US Army Corps
of Engineers®**

FY09 BUDGET STATUS

- **FY09 Budget Submitted by ASA(CW) to OMB on 17 Sep 07**
- **OMB Passback Received 26 Nov 07**
- **Passback Appeal submitted 29 Nov 07**
- **Final OMB Decisions about 12 Dec 07**
- **Final Budget “Lock” on 7 Jan 08**
- **President Submits Budget to Congress on 4 Feb 08**



**US Army Corps
of Engineers®**

Adjusting the USACE Budget Process



- Goal and Performance-Based Budgets
 - Define strategy, objectives and performance metrics
 - Budget to achieve those objectives
 - Systems budgeting—national, regional, local
 - More emphasis on program, system and regional benefits;
 - Less emphasis on individual project benefits
- More emphasis on multi-dimensional benefits
- Changing focus
 - HQs focus on capital decisions, future revenue, funding strategy
 - Field will have more influence over funding for execution

One Corps, Serving the Army and the Nation



US Army Corps
of Engineers®

Example

Goal-Based Budgeting for Navigation

Goal: Maintain projects to meet present and future needs

- Objective: Maintain Ports
 - PM 1 – Percent time navigation channels are available to commercial users
 - high-commercial traffic (>10 mil tons @ ~95%?)
 - medium traffic (1-10 mil tons @ ~85%?)
 - PM 2 – Percent project features that exceed Facilities Condition Index (FCI)
 - PM 3 – O&M cost per ton cargo shipped

*PM = Performance Measure



**US Army Corps
of Engineers®**

Communicating Outcomes

- Budget is developed to achieve program objectives
- USACE will be able to display and communicate on a segment, system and national basis if funds budgeted and appropriated will achieve objectives
- Thru the 5-yr Plan, USACE will be able to forecast improving or worsening conditions
 - By system, region and nation
 - We will be able to forecast progress (or not) towards national goals





US Army Corps
of Engineers®

Five Year Planning

Example

FY08-12 Five Year Plan



- Construction Wedge, Enhanced Plan, FY08-12
 - \$2.2 bil available for new starts in next 5 years
 - 79 eligible projects @ \$9.5 bil
 - 131 other projects @ \$6 bil
- If past funding trends continue we have ~15%-23% of funds needed for approved projects
- But.....Few, if any, new starts projected



**US Army Corps
of Engineers®**

Risks and Challenges

- System Objectives
- Systems Analysis
- “High Commercial Traffic” navigation channels and segments
- Segment focus vs Systems focus



**US Army Corps
of Engineers®**

TRENDS TO WATCH

- **Continuing Pressure on Budget
Entitlement Programs
Medicare, Medicaid, Social Security**

- **Cost of Infrastructure Recapitalization
Improved Inspection Techniques
Modern Design Standards
Cost of meeting ESA and other legal requirements**

- **Cost of Construction
Fuel, Steel, Concrete
Expanding worldwide demand**





**US Army Corps
of Engineers®**

Stakeholder Role

- Help us learn to better communicate importance of infrastructure to the nation's economic well being, national defense and quality of life.
- Stay engaged as we examine funding sources and improve our decision processes
 - Systems objectives and benefits
 - Future planning for riverine and coastal systems
 - Measurement
- Support system, regional and national needs as well as project needs

One Corps, Serving the Army and the Nation

Discussion

The image features a stack of US one hundred dollar bills, slightly out of focus, with a warm, golden light. Overlaid on the bills is the word "Discussion" in a large, bold, 3D font. The font has a gradient from orange to yellow and a slight shadow, giving it a three-dimensional appearance. The bills are stacked in several bundles, with blue straps visible. The overall composition suggests a connection between money and the topic of discussion.