

## Appendix A: Environmental Management Budget Overview

The Department of Defense (DoD) commences long-term budget planning to anticipate and meet environmental requirements and accomplish program goals at its domestic and overseas installations. Through an effective planning, programming, budgeting, and execution process, factors that influence DoD's environmental funding levels can be accounted for properly. Influential factors include new environmental laws and regulations, departmental and congressional priorities, progress toward program goals, emerging environmental challenges, and mission sustainability requirements.

The DoD budget process ensures that the President submits to Congress a funding request that meets all legal and regulatory requirements. The President presents Congress with an overall DoD budget, which includes funding estimates for environmental requirements provided by DoD Components to the Secretary of Defense. DoD Components—Army, Navy and Marine Corps, Air Force, and the Defense agencies—calculate their budget estimates based on environmental needs at the installation.

DoD's environmental needs fall under one of the following program areas: Conservation, Restoration, Compliance, and Pollution Prevention. Within the Conservation, Compliance, and Pollution Prevention Programs, funding is distributed among Operation and Maintenance (O&M); Defense Working Capital Funds (DWCF); Procurement (PROC); Research, Development, Test, and Evaluation (RDT&E); Military Construction (MilCon); and Other appropriations. Funding for the Defense Environmental Restoration Program is divided between the Environmental Restoration (ER) and Base Realignment and Closure (BRAC) accounts. As the executive agent for formerly used defense sites (FUDS), the Army's budget includes costs to address cleanup resulting from historical DoD activities at properties no longer under the Department's control.

Summaries and figures in this appendix provide DoD's and the Component's Environmental Management funding history by program area and appropriation. Figure A-1 provides an overview of DoD's Environmental Management budget, including recurring costs. DoD Instructions (DoDIs) 4715.3, 4715.4, and 4715.6 define recurring costs for the Conservation, Pollution Prevention, and Compliance Programs, respectively. These costs fund day-to-day routine activities that an installation must conduct in the environmental program. Example activities include permits and fees; sampling, analysis, and monitoring; supplies; travel; data management; reporting; and updates for environmental management plans.

Although all recurring costs associated with Manpower and Education & Training were reported separately under compliance in previous years, these costs are now distributed across the appropriate environmental program budgets beginning in Fiscal Year (FY) 2007. Manpower consists of all recurring government (civilian and military)

personnel and contractor costs applicable to management of these three programs. Education & Training costs provide for training of the personnel in these three programs. For graphic displays, Manpower and Education & Training costs prior to FY2007 are included in recurring Compliance Program totals.

Figure A-1 DoD Total Budget Summary (millions)\*

DoD Budget by Program Area <sup>‡</sup>							
	FY2004 Actual	FY2005 Actual	FY2006 Actual	FY2007 Actual	FY2008 Actual	FY2009 Appropriated	FY2010 Requested
Conservation	\$157.6	\$187.9	\$204.1	\$299.6	\$352.8	\$343.6	\$323.2
ER <sup>†</sup>	\$1,338.0	\$1,348.2	\$1,376.7	\$1,383.0	\$1,508.2	\$1,546.2	\$1,474.8
BRAC	\$384.8	\$250.4	\$569.0	\$497.8	\$527.1	\$524.9	\$554.2
Compliance	\$1,654.9	\$1,684.9	\$1,542.5	\$1,430.8	\$1,494.2	\$1,671.4	\$1,617.9
Pollution Prevention	\$116.1	\$124.8	\$125.2	\$130.2	\$121.3	\$164.8	\$102.9
<b>Total</b>	<b>\$3,651.4</b>	<b>\$3,596.2</b>	<b>\$3,817.4</b>	<b>\$3,741.4</b>	<b>\$4,003.4</b>	<b>\$4,250.9</b>	<b>\$4,073.0</b>

DoD Budget by Appropriation							
	FY2004 Actual	FY2005 Actual	FY2006 Actual	FY2007 Actual	FY2008 Actual	FY2009 Appropriated	FY2010 Requested
BRAC	\$384.8	\$250.4	\$569.0	\$497.8	\$527.1	\$524.9	\$554.2
ER <sup>†</sup>	\$1,338.0	\$1,348.2	\$1,376.7	\$1,383.0	\$1,508.2	\$1,546.2	\$1,474.8
DWCF	\$191.7	\$210.1	\$207.8	\$199.3	\$217.6	\$224.7	\$235.1
MilCon	\$47.9	\$93.8	\$37.7	\$43.2	\$82.9	\$140.4	\$103.8
O&M	\$1,581.9	\$1,586.0	\$1,527.7	\$1,522.9	\$1,576.0	\$1,722.1	\$1,615.1
PROC	\$78.3	\$80.5	\$71.4	\$65.6	\$62.8	\$59.1	\$51.6
RDT&E	\$15.5	\$14.4	\$13.9	\$17.8	\$16.8	\$20.1	\$24.9
Other	\$13.3	\$12.9	\$13.2	\$11.9	\$12.2	\$13.5	\$13.4
<b>Total</b>	<b>\$3,651.4</b>	<b>\$3,596.2</b>	<b>\$3,817.4</b>	<b>\$3,741.4</b>	<b>\$4,003.4</b>	<b>\$4,250.9</b>	<b>\$4,073.0</b>

DoD Recurring Costs <sup>§</sup>							
	FY2004 Actual	FY2005 Actual	FY2006 Actual	FY2007 Actual	FY2008 Actual	FY2009 Appropriated	FY2010 Requested
Manpower	\$511.9	\$547.4	\$542.8	--	--	--	--
Education & Training	\$28.9	\$26.6	\$26.9	--	--	--	--
Conservation	\$39.7	\$54.2	\$49.7	\$128.7	\$217.8	\$214.8	\$208.9
Compliance	\$398.9	\$415.1	\$381.4	\$842.5	\$950.2	\$982.6	\$1,001.7
Pollution Prevention	\$52.3	\$42.0	\$55.4	\$79.7	\$78.0	\$93.6	\$63.5
<b>Total</b>	<b>\$1,031.7</b>	<b>\$1,085.3</b>	<b>\$1,056.2</b>	<b>\$1,050.9</b>	<b>\$1,246.0</b>	<b>\$1,291.0</b>	<b>\$1,274.2</b>

\* Due to rounding, subtotals may not equal fiscal year totals.

† Funding shown includes FUDS costs.

‡ ER and BRAC do not have recurring costs as defined in this table. Recurring costs like program management and support costs associated with ER and BRAC are detailed in Appendix G: Restoration Budget Overview.

§ Beginning in FY2007, Manpower and Education & Training are included under recurring costs for the appropriate environmental program budgets.

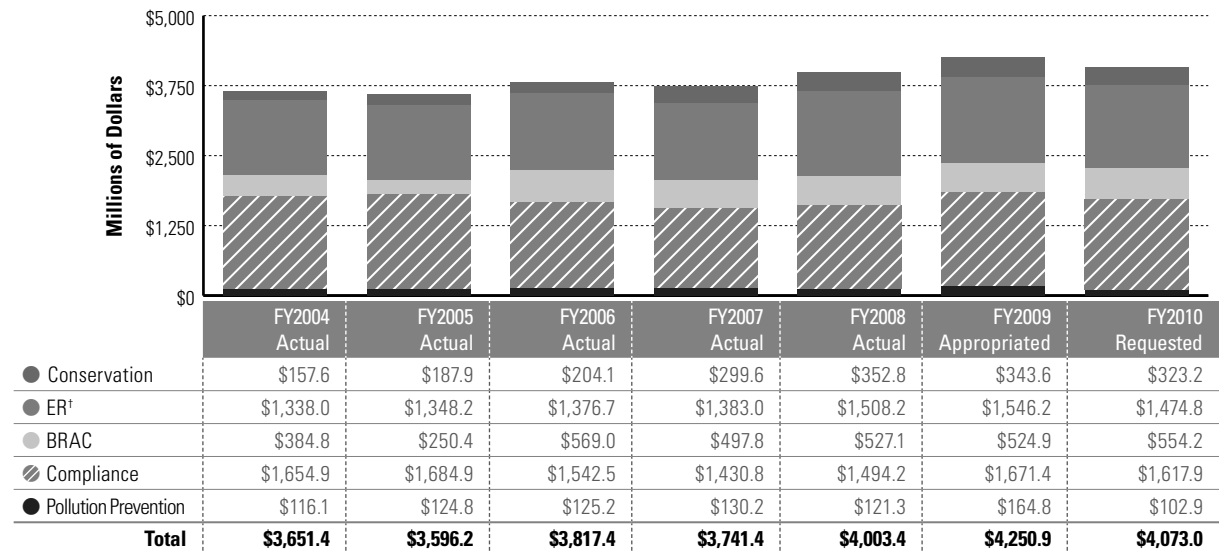
## DoD

In FY2008, DoD obligated \$4.0 billion for environmental programs, as shown in Figure A-2. Overall, funding for environmental programs continues to increase gradually, with the majority of funding designated for the Compliance Program and completing ER requirements. Slight fluctuations in funding for all five programs reflect evolving requirements to continually help DoD protect human health and the environment.

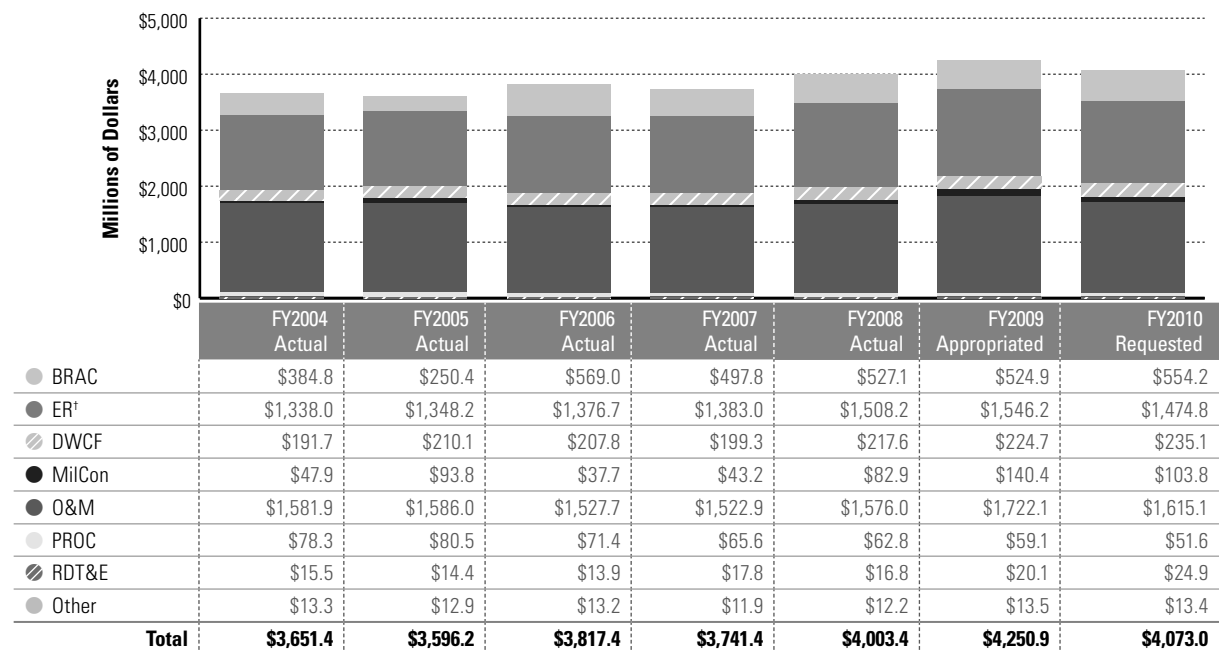
Although the ER Program continues to advance and demonstrate progress, funding has increased from FY2004 through FY2009. This funding increase is attributed to the addition of munitions response requirements and impending cleanup goals. Completion of restoration activities and decreasing financial requirements is occurring for BRAC rounds I-IV. Despite this progress, BRAC also shows an increased funding requirement in FY2006. The increased BRAC budget reflects the additional 2005 BRAC round that Congress approved in November 2005. Changes in BRAC funding levels for FY2006 through FY2010 reflect the completion of one-time efforts and dedication to meet the cleanup goals. Changes to Component programs are addressed in the program-specific budget appendices.

Figure A-3 illustrates DoD funding by appropriation. As the ER and BRAC accounts fund activities within the Defense Environmental Restoration Program (DERP), these appropriations show a similar pattern as in Figure A-2. The DWCF and O&M show steady funding from FY2004 through FY2009. The PROC appropriations gradually decrease through FY2010 because of the completion of Navy's purchase and installation of pollution control devices in ships. The MilCon appropriation shows significant one-time increases to \$82.9 million and \$140.4 million in FY2008 and FY2009, respectively. These increases are a result of construction projects to build drinking water facilities, wastewater treatment facilities, and aboveground fuel storage tanks that comply with Clean Water Act (CWA) requirements.

**Figure A-2** DoD Budget by Program Area\*



**Figure A-3** DoD Budget by Appropriation\*



\* Due to rounding, subtotals may not equal fiscal year totals.

† Funding shown includes FUDS costs.

### Army

Figure A-4 shows the Department of the Army's budget by program area, including funds to address DoD's restoration responsibilities at FUDS properties. In FY2008, the Army obligated \$1.5 billion for environmental programs, and this budget continues to provide sufficient funds to meet all legal requirements.

Although overall funding has remained relatively stable compared to FY2007, specific programs show significant changes as a result of the redistribution of Manpower and of Education & Training costs. This redistribution caused the increase in funding for the Conservation and Pollution Prevention Programs in FY2007 and the corresponding decrease in the Compliance Program funding. Funding for the ER program shows a gradual increase through FY2009 resulting from investments to meet upcoming performance goals, including the completion of site inspections at all munition response sites by the end of FY2010. BRAC funding from FY2006 onward includes restoration and program management funds, as well as planning and compliance costs for all BRAC installations, including BRAC 2005 activities. The significant increases in BRAC funding in FY2010 represent environmental closure requirements as operations cease at BRAC 2005 installations.

Figure A-5 shows funding for the Department of the Army by appropriation, which remains relatively stable. Because the ER and BRAC accounts fund activities within the DERP, these appropriations show a similar pattern as in Figure A-4. The costs associated with restoration at FUDS properties are included in the ER account. Environmental activities for MilCon, PROC, and RDT&E show a decreasing trend toward zero funding because they are being integrated into other program business practices.

Figure A-4 Army Budget by Program Area\*

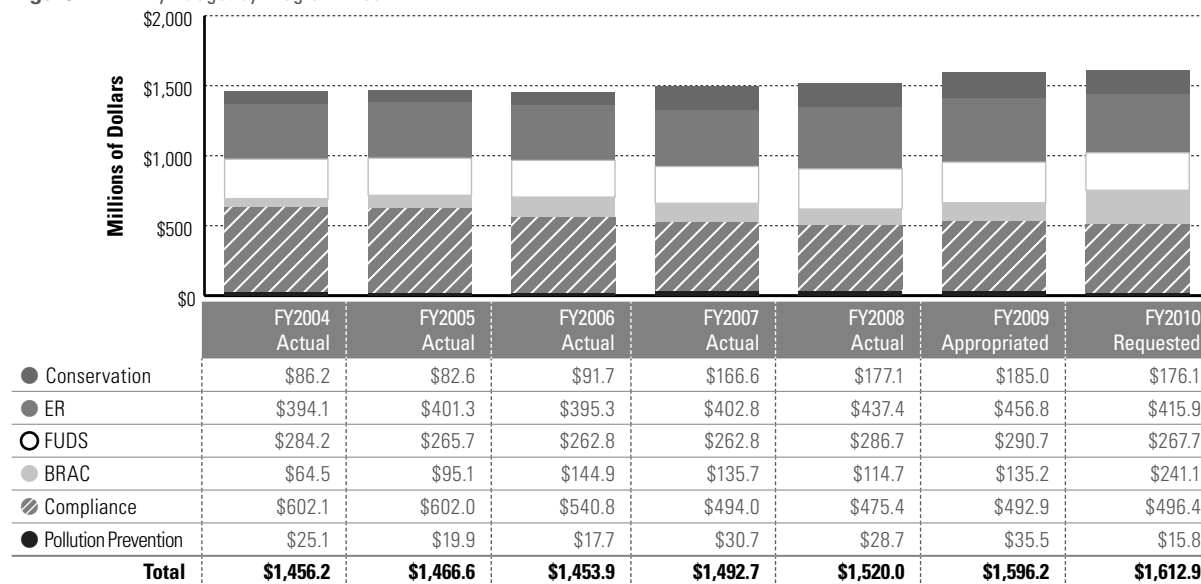
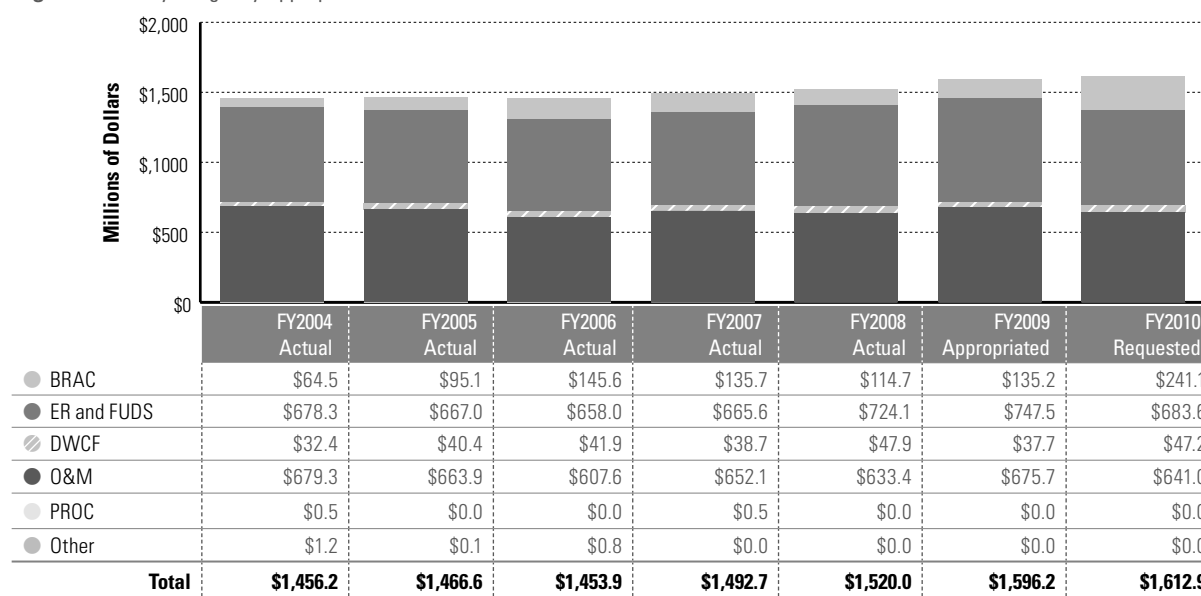


Figure A-5 Army Budget by Appropriation\*



\* Due to rounding, subtotals may not equal fiscal year totals.

## Navy and Marine Corps

Figure A-6 illustrates the Department of the Navy's (DON's) budget by program area, including Navy and Marine Corps funding. In FY2008, DON obligated \$1.2 billion for environmental programs to meet federal, state, and local requirements.

Fluctuations in conservation funding reflect the need for projects required to implement Integrated Natural Resources Management Plans (INRMPs) and Integrated Cultural Resource Management Plans (ICRMPs). Funding changes in the ER Program reflect accelerated cleanup efforts at large facilities to meet the upcoming RIP/RC goals. While FY2005 restoration work at BRAC installations totaled \$102.5 million, Navy's BRAC funding was offset due to revenue generated from the previous year's land sale of BRAC property. FY2006 through FY2010 BRAC funds include the continuation of environmental efforts at BRAC 2005 installations. In FY2008, DON invested \$503.0 million and \$30.2 million to the Compliance and Pollution Prevention Programs, respectively.

Figure A-7 displays DON funding by appropriation. As the ER and BRAC accounts fund activities within the DERP, these appropriations show a similar pattern as in Figure A-6. O&M and RDT&E funding is projected to remain stable, whereas fluctuations in MilCon appropriations are from normal variations in the need for construction investments to meet environmental standards. DON did not request funding for MilCon activities in FY2010 because no environmental projects were required. The DWCF budget increases steadily beginning in FY2008 as a result of price changes, a one-time cost increase for permit renewal at the Industrial Waste Treatment Complex at Facilities and Engineering Command Hawaii, and the transfer of some environmental functions from O&M. The PROC appropriation has experienced gradual declines due to funding changes in several programs. Changes include the realignment of funding out of the Pollution Prevention Equipment Program between FY2003 and FY2004, the completion of the Pollution Prevention Afloat Program between FY2005 and FY2006, and the completion of converting aircraft carriers from CFC-114 to HFC-236fa between FY2005 and FY2007.

Figure A-6 Navy and Marine Corps Budget by Program Area\*

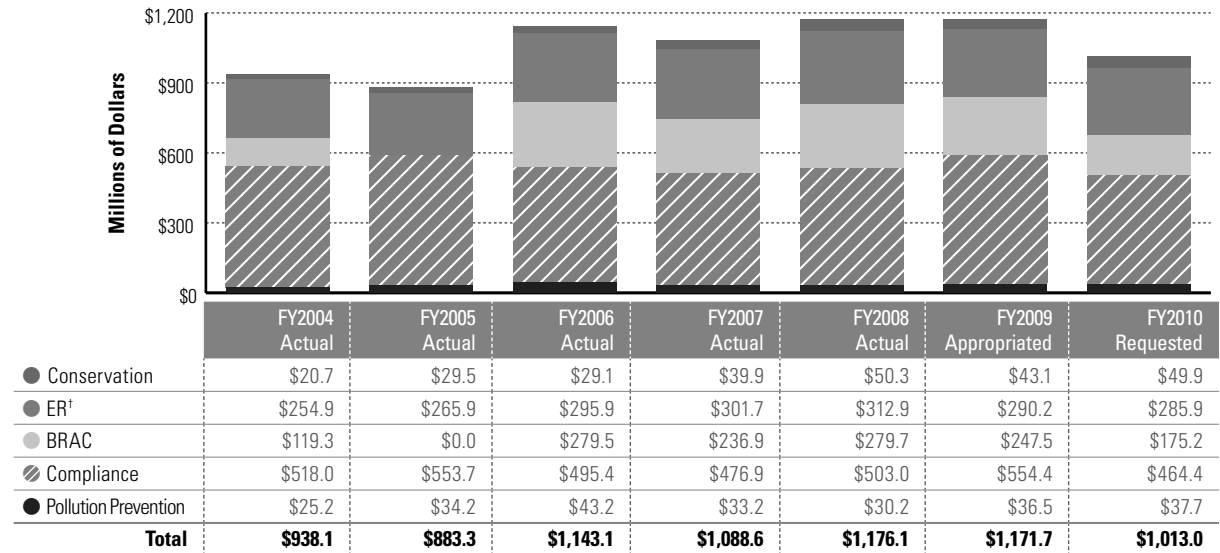
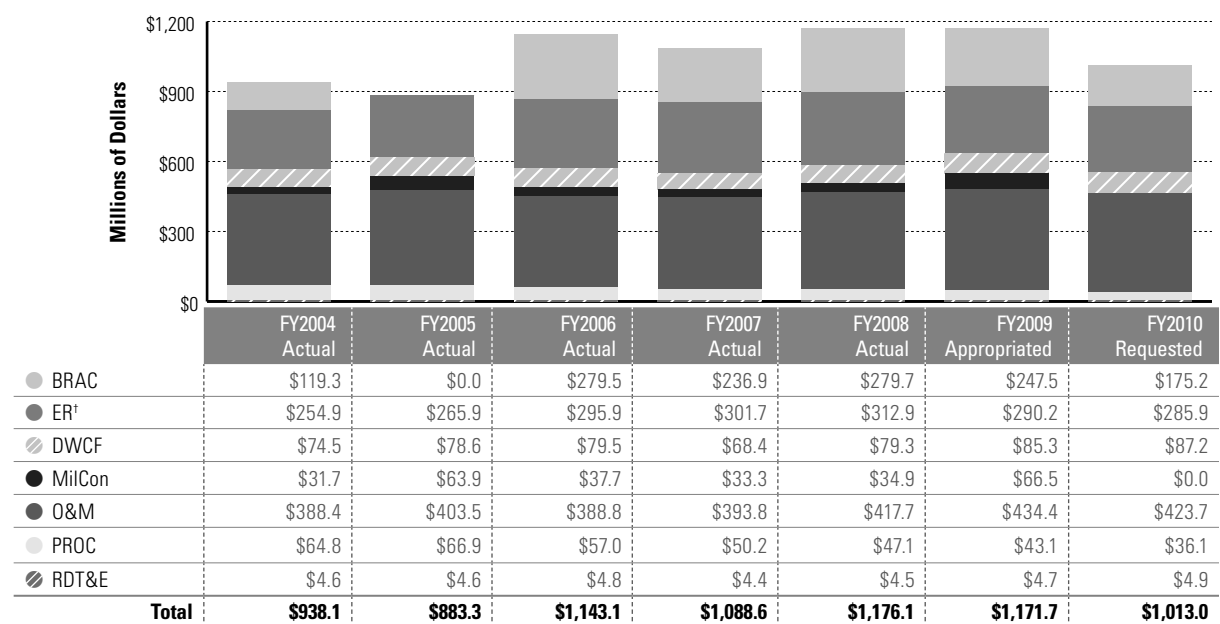


Figure A-7 Navy and Marine Corps Budget by Appropriation\*



\* Due to rounding, subtotals may not equal fiscal year totals.

### Air Force

Figure A-8 displays the Air Force's budget by program area. In FY2008, the Air Force obligated \$1.0 billion for environmental programs. This budget includes sufficient funds to meet all federal, state, and local environmental quality requirements.

The Air Force budget has been relatively stable since FY2004. Stable funding enables the Air Force to sustain natural infrastructure for operational needs and compliance with applicable laws, regulations, Executive Orders, DoD policies, and international standards. Funding shifts within the Conservation, Compliance, and Pollution Prevention Programs in FY2007 reflect the redistribution of Manpower and Education & Training costs. The general decrease in BRAC costs reflects the completion of requirements from prior BRAC rounds and the minimal requirements resulting from the BRAC 2005 round. Increases in ER funding represent the addition of munitions constituents to the program.

Figure A-9 shows Air Force's funding by appropriation. Because the ER and BRAC accounts fund activities within the DERP, these appropriations show a similar pattern as in Figure A-8. Environmental activities for DWCF and RDT&E appropriations were integrated into appropriate program business practices. The completion of one-time projects to provide wastewater treatment and drinking water facilities resulted in a decrease of the MilCon appropriation to zero. Air Force has not identified any additional investments required for meeting environmental standards that qualify for MilCon funding. The fluctuations in O&M reflect one-time repairs in compliance and pollution prevention projects. The Air Force PROC appropriation shows a gradual funding increase through FY2009 reflecting an investment in pollution prevention.

Figure A-8 Air Force Budget by Program Area\*

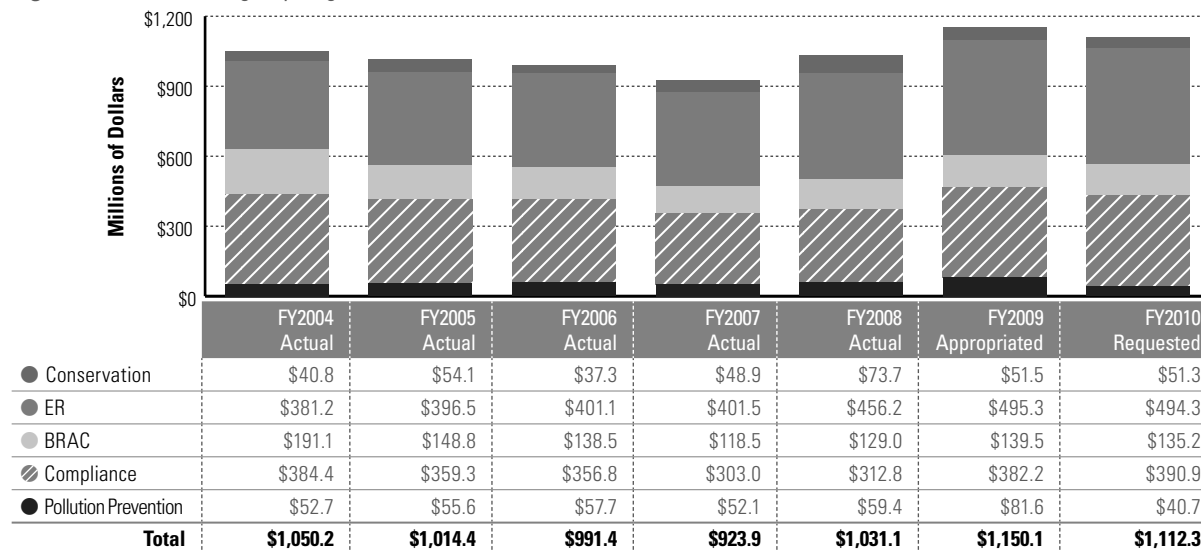
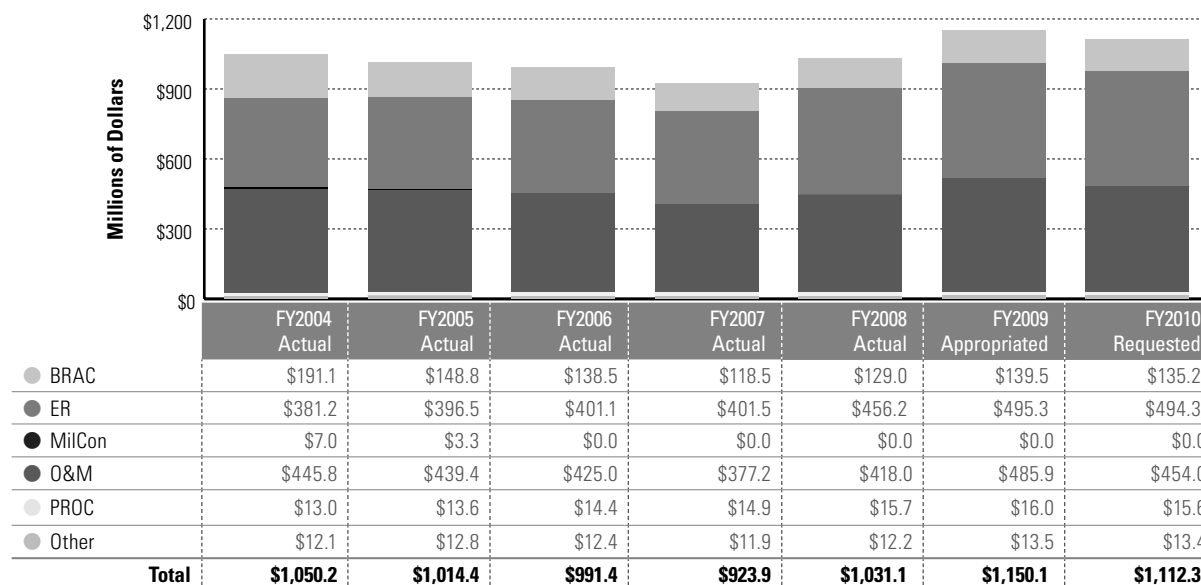


Figure A-9 Air Force Budget by Appropriation\*



\* Due to rounding, subtotals may not equal fiscal year totals.

## DLA

The Defense Logistics Agency's (DLA's) budget by program area is illustrated in Figure A-10. In FY2008, DLA obligated \$165.7 million for environmental programs, a \$36.8 million increase compared with the previous year. DLA expects increases of \$33.1 million in FY2009 and \$27.6 million in FY2010 primarily in response to additional compliance requirements.

DLA funding requirements increased significantly for conservation in FY2008 as a result of a one-time effort to address wetlands issues. Annually, more than 70 percent of the DLA budget funds compliance activities. The large fluctuations in the Compliance Program budget are driven by one-time projects that increase mission responsiveness, eliminate environmental hazards, and improve facility readiness. Pollution prevention funding requirements continue to decline because of reduced requirements in the National Stockpile Centers.

Figure A-11 illustrates DLA's budget by appropriation. Because the ER and BRAC accounts fund activities within the DERP, these appropriations show a similar pattern as in Figure A-10. Funding is stable for all appropriations other than MilCon, which had no identified requirements for FY2006. Increased funding shown for FY2008 through FY2010 are attributed to MilCon projects in support of CWA requirements at conforming Defense Energy Support Center (DESC) facilities.

Figure A-10 DLA Budget by Program Area\*

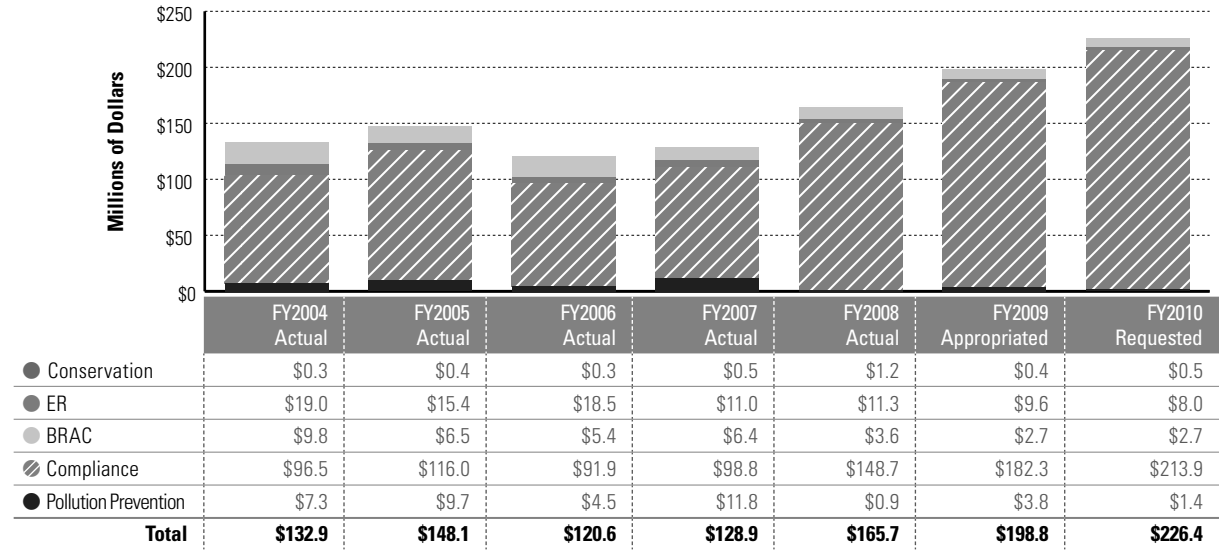
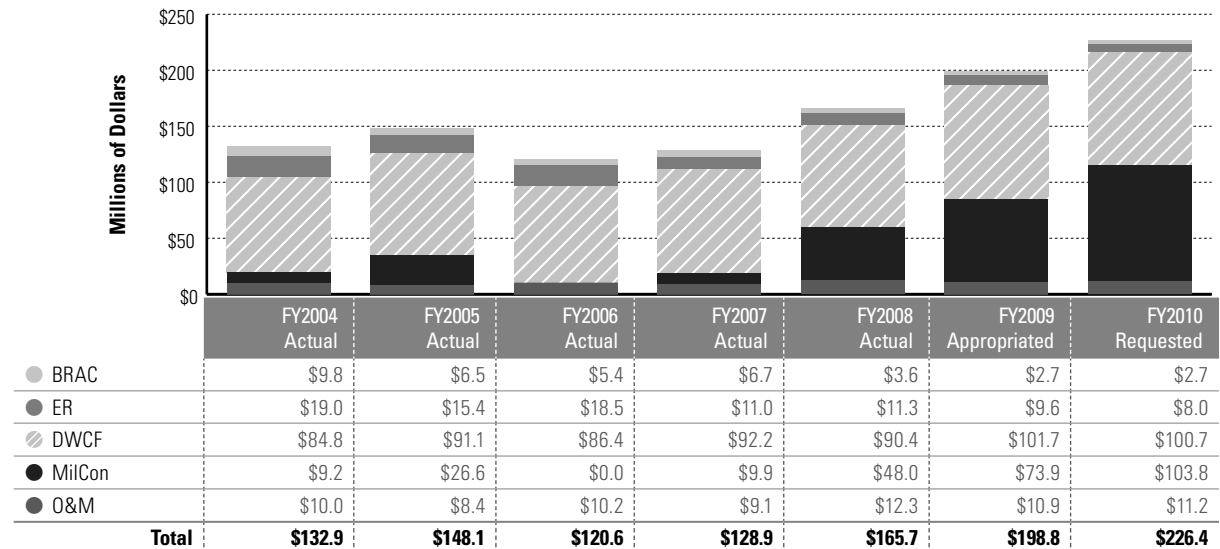


Figure A-11 DLA Budget by Appropriation\*



\* Due to rounding, subtotals may not equal fiscal year totals.

### Other Defense-Wide Programs

Other Defense-wide programs include the Under Secretary of Defense for Acquisition, Technology, and Logistics; Missile Defense Agency (MDA); Defense Health Program, and other Defense agencies. In FY2008, other Defense-wide programs obligated \$110.4 million for environmental programs, as illustrated in Figure A-12.

The large funding increase in the Conservation Program budget from FY2004 to FY2005 reflects the \$11.7 million appropriated for the DoD initiative for Readiness and Range Preservation Initiative to evaluate requirements on DoD's operational ranges. The Readiness and Environmental Protection Initiative is the reason for the increase in conservation funding in FY2006 and FY2010. Other Defense-wide programs do not manage BRAC installations; therefore, the BRAC funding level for all years remains at zero. The decrease in the Compliance Program in FY2010 is the result of the Congressional increase in prior years for the Native American Lands Environmental Mitigation Program (NALEMP). Appendix F: Native Americans provides additional information about DoD's efforts to fund and protect Native American resources. The budget for Pollution Prevention programs significantly increased beginning in FY2009 as a result of increased funding to manage hazardous waste and address emerging contaminants.

Figure A-13 shows other Defense-wide programs funding by appropriation. Because the ER and BRAC accounts fund activities within the DERP, these appropriations show the same pattern as in Figure A-12. O&M appropriations remain relatively high compared with earlier years because the Department addresses encroachment issues at affected installations and ranges. FY2009 O&M funding anticipates a gradual decrease due to NALEMP budget fluctuations caused by previous Congressional additions. Funding for RDT&E shows a slight increase in response to MDA requirements. Appropriations for DWCF, MilCon, and PROC are not applicable to other Defense-wide programs and therefore not included in Figure A-13.

Figure A-12 Other Defense-Wide Programs Budget by Program Area\*

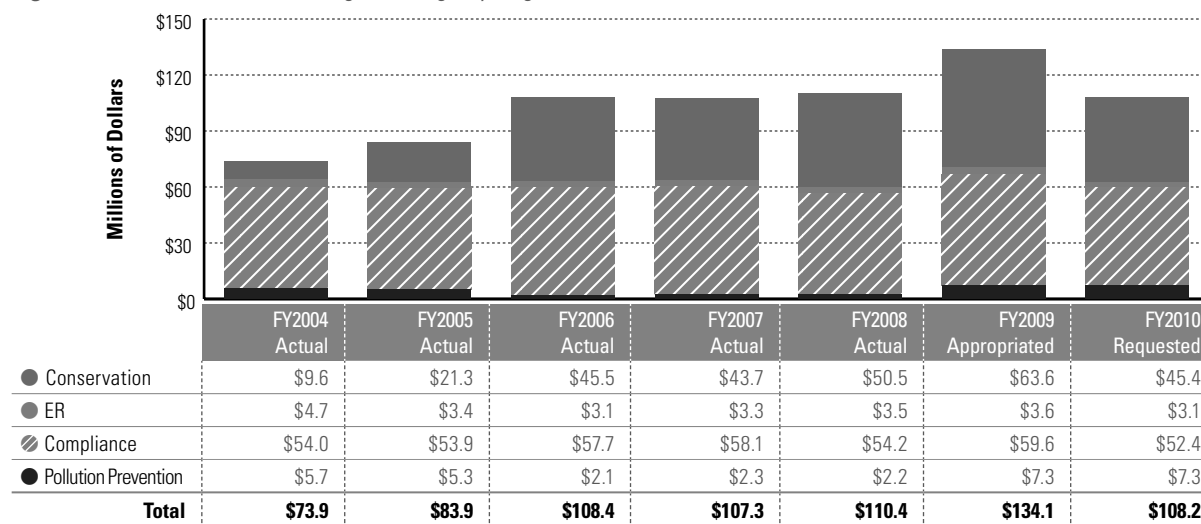
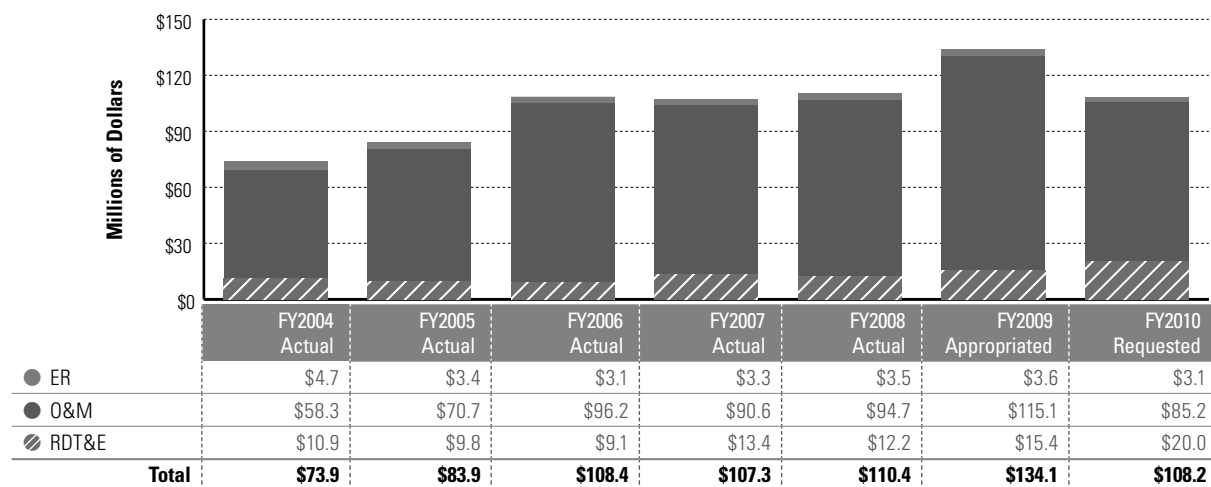


Figure A-13 Other Defense-Wide Programs Budget by Appropriation\*



\* Due to rounding, subtotals may not equal fiscal year totals.



## Overseas

DoDI 4715.5 outlines the management of environmental compliance at overseas installations. DoD installations operate overseas activities that might have an impact on the natural environment of the host nation, the health and safety of DoD personnel and local national employees, or the dependent resident families. Those potential effects could be significant to mission readiness or even continued access to the installation. Therefore, success in managing environmental stewardship at DoD installations worldwide is directly related to the ability to support national security interests.

Funding for remediation activities is included in the overseas compliance activities budget because the ER and BRAC accounts are reserved for installations inside the United States and its territories. DoD's Overseas Program experienced a spike in FY2005 to address one-time water quality requirements for the Navy. As shown in Figure A-14, DoD invested \$175.1 million in environmental efforts abroad in FY2008. Of this total, the Department obligated \$12.2 million in conservation, \$25.5 million in remediation, \$125.1 million in compliance, and \$12.2 million in pollution prevention activities. All funding for overseas efforts is included in the totals in the conservation, compliance, and pollution prevention budget appendices.

The increase in FY2008 Overseas funding addresses hazardous waste requirements for the Air Force. The FY2009 funding increase is due to a wastewater compliance project for DLA's DESC.

**Figure A-14** Overseas Budget

