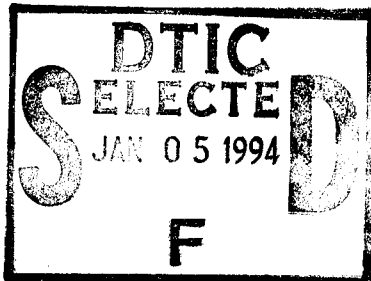


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IDEA PAPER

TITLE

Decentralizing Environmental and Facility Project Funding

AUTHOR

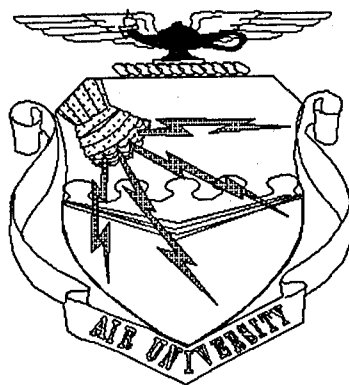
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PMCS IDEA PAPER

TITLE: DECENTRALIZING ENVIRONMENTAL COMPLIANCE AND FACILITY PROJECT FUNDING

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EXECUTIVE SUMMARY

Civil Engineering Facility Project funding and Environmental Compliance funding are micro-managed by Headquarters Air Force Space Command. This provides specific benefits for the Headquarters staff, but a drastic negative impact on program execution at base level organizations. Funds are provided to the 30 Space Wing by HQ Air Force Space Command Financial Management in coordination with the Command Civil Engineer. The funds are authorized and controlled at command by Element of Expense within each Program Element. The Wing Commander is not allowed to plan or budget for either Environmental Compliance or Facility Projects. The installation commander receives Budget Authority at the Budget Activity Code level but has absolutely no authority to use the funds in either Environmental Compliance or Facility Projects for anything except the specific item the funding came down for. In the case of Environmental Compliance, it can only be used in the specific EEIC originally programmed. Facility Project funding can only be used for the specific project originally identified.

To reprogram Facility Project or Environmental Compliance funds to accomplish a higher priority requirement, the commander must request reprogramming approval from HQ AFSPC/CE. They require a written request for every transfer. This approval system is a continuous source of problems due to the lack of funding flexibility, the number of reprogramming involved, the lost time caused by each reprogramming, and the paperwork involved.

HQ AFSPC/CE and HQ AFSPC/FM should give the installation commander the formal authority to plan, budget and execute the funds that are available within the applicable Budget Activity Code and Program Element without requiring reprogramming approval for Environmental Compliance and Facility Project funding.

This study represents the views of the author and does not necessarily reflect the official opinion of the College for Professional Development, Air University, or the Department of the Air Force.

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INTRODUCTION

Field level organizations have received increased pressure to accelerate obligation and expenditure rates over the past few years. As resources decline, execution of funding is becoming increasingly difficult. This problem is compounded by the recurring budget appropriation debates and the Continuing Resolution Authority enacted almost every year which delays any "new starts" we had coming on board.

As a Major Range and Test Facility Base (MRTFB), Vandenberg AFB has a unique mission to operate and maintain the Western Range. This mission requires hundreds of facilities to get the job done. The Range is geographically located in the most environmentally conscious county in the state of California, Santa Barbara. This further complicates our ability to accomplish the mission. Both Facility Project and Environmental Compliance funds are micro-managed at Headquarters Air Force Space Command (HQ AFSPC). Centralized management of these funds promote a well-informed Headquarters staff, better able to defend the individual programs. These controls probably do provide all the benefits they were designed to attain for the Headquarters, but have a drastic negative impact on program execution at a field level organization which could be negated by giving the commander the flexibility to manage these funds. In this paper I will discuss how Environmental Compliance and Facility Project funds are provided, the constraints placed on them, the problems associated with the approval system and the inability to plan and budget for these funds, and provide

several recommendations to improve the process.

DISCUSSION

Vandenberg AFB is one of the largest Air Force installations in the United States. The base encompasses numerous wetlands, archeological sites, endangered species, numerous hazardous materials and other environmentally sensitive areas. In addition, the base has hundreds of facilities dedicated to support its mission of space launch. Environmental and Facility Projects have two separate categories of funding. Environmental Compliance funding is associated with absolutely all Level I Environmental Compliance issues. Facility Project funding is associated with minor construction, repair, space launch infrastructure facility improvement as well as architectural and engineering design. Funds are provided and used in both categories by Vandenberg AFB.

Several Air Force installations are designated as Major Range and Test Facility Bases. The 30th Space Wing(SW) is one of these bases. Most of the 30 SW facilities were built by the AF during the three years following the takeover of the Western Range from the Navy in 1965. The facilities were severely neglected until the late 1980's when an aggressive repair/replacement program to upgrade our launch base and support facility structures began. During approximately the same period of time, Santa Barbara County, the State of California, and the Federal Government became increasingly more environmentally conscious causing Vandenberg to establish a separate staff organization to deal with complex environmental issues. This organization named Environmental

Management (ET) has continued to grow ever since.

Environmental Management and Facility Project funding is provided to the 30 SW by AFSPC and is authorized and controlled by Budget Activity Code (BAC), Program Element (PE) and Element of Expense (EEIC). The EEIC is the lowest level of funding established to identify, consolidate and fund items to be purchased or projects to be accomplished, (i.e., EEIC 522-repair project, EEIC 529- minor construction, EEIC 55439- space launch infrastructure project, EEIC 534XX-Environmental Compliance, and EEIC 532-A&E design). The "approved" funding target for each EEIC is loaded into the base Finance and Accounting (F&A) and the Wang (CE) system for both Environmental Compliance and Facility Projects. The F&A system tracks the status of each EEIC for total funds available, commitments, obligations, and expenditures. The Wang system is tracking similar information by project. Total funds available targets are constantly updated as realignments are approved and additional funding received. The F&A system provides commitment, obligation, and expenditure changes once each month based on the previous end-of-month report. As a result, command has a fairly up-to-date and valid database available to make rational decisions concerning fund allocations, transfers and reductions.

This database is used to manage Environmental Compliance and Facility Project funding which involves many of the same problems as management of other Operations and Maintenance (O&M) funds. The funds allocated to an organization or activity do not always satisfy total requirements. As a result, the reduction in scope of

one project and the deferment or elimination of other projects becomes necessary to accomplish the mission. To achieve this, the installation commander must adopt financial program priorities in which high priority requirements are supported at the expense of lower priority items. This however, is where the similarities of the two areas end. With other O&M funds, the commander has the authority to decide which requirement has the highest priority and uses his or her available funds to support that decision. This would be within the parameters of budget authority(BA) and allocation documents. The commander receives Environmental Compliance and Facility Project BA at the BAC level but has absolutely no authority to use the funds in an individual EEIC for anything except projects or items within that EEIC. HQ AFSPC/FM imposes these restrictions on their monthly BA documents as well as in all funding messages and their initial funding guidance for each fiscal year.

According to HQ AFSPC policy, moving funds from one EEIC to another EEIC to accomplish a higher priority requirement requires the commander to request "realignment" approval. The realignment authority is normally HQ AFSPC/CEV for Environmental Compliance and HQ AFSPC/CER for Facility Projects. For example, if base level environmental needs an additional \$100.00 to complete a project, they must request the authority to reprogram those dollars from another EEIC. The only exception is in an emergency situation concerning Environmental Compliance. If an emergency arises, the commander can use his other O&M funds to cover the emergency and

ask for reimbursement from HQ AFSPC.

This HQ AFSPC approval system is a continuous source of problems due to the number of realignments required and the loss of time involved with each realignment. During one previous fiscal year, at least 20 realignment actions were taken moving funds from one EEIC to another. This number of realignment actions may seem excessive and perhaps a result of poor management. But, it is not! It is simply a reflection of the dynamic nature of the launch base operational and environmental activities and requirements for which the 30 SW exists. It is actually a reflection or measure of an outstanding management process which monitors changes in concepts, policies, or entirely new developments and reacts to accomplish higher priority requirements. The analogy with your own car is appropriate. You budgeted for a scheduled tune-up at a certain point in time, but the radiator goes out a week earlier. You only have enough funds to accomplish one or the other, but not both. You must delay the tune-up and fund the radiator repair to keep your car running. The tune-up was certainly a high priority; however, current unplanned circumstances have now placed it as secondary priority due to operational requirements. In a like manner, 30 SW priorities must at times be realigned to react to current unplanned circumstances due to operational facility requirements or critical environmental issues which must be fixed to maintain existing operational status, avoid governmental fines or imprisonment.

The number of these realignments is not really the problem, but

rather what is accomplished, or in this case not accomplished, by the "approvals". None of our realignment requests are questioned in any way by command and none of the requests were rejected. All of them were "rubber stamped" approved by command. HQ AFSPC seems to be giving the commander unofficial authority to make decisions but, at the same time, requiring an official paperwork approval system.

As in the case with most administrative or documentation systems, this official paperwork approval system takes time. We are required to ensure the timely commitment and obligation of both Environmental Compliance and Facility Projects and, at the same time, are hampered with a system which extends the process. We are allowed to take action based on verbal approvals from command (with subsequent written documentation to follow). But even this does not always alleviate the problem. An average approval time for realignment actions was five to seven days from the date of the conception of the realignment requirement. Quite a few days are lost during the year due to the requirements of the approval system.

The approval system is not the only factor causing problems. The process by which these funds are planned and budgeted for causes great confusion and consternation. Both Environmental Compliance and Facility Project funding are budgeted for by command. The base financial manager (FM) has no input into these processes. In the case of environmental compliance, there are three different areas within the overall program which are Bioenvironmental,

Environmental Compliance and other O&M Environmental requirements. Environmental plans for these requirements, but not all, are executed within the environmental PE. This leads to confusion as to whether or not they should be in the Base Financial Plan or not. Further compounding this problem is the fact Environmental and Civil Engineering are two separate organizations within the 30 SW. It is clear facility program funding is not to be included in our financial plan based on HQ AFSPC guidance. The problem is executing without the flexibility to budget for these requirements. The commander has no flexibility to improve the infrastructure, critical to mission accomplishment, without eroding his current funding baseline. Problems of this nature tend to make managers consider where the funds are loaded when making decisions on priorities. This should not be a factor in assigning priorities. The highest operational requirement should receive the funding with no regard given to the area in which the funds are currently available.

CONCLUSION

Base level organizations are constantly facing increased pressure to ensure our scarce resources are executed in a timely manner. Full funding flexibility is paramount to achieving this goal. This effort is not supported by the policy of HQ AFSPC in their Environmental Compliance and Facility Project funding controls. Approvals should be given to the individual who can best make the decisions and who bears the responsibility for executing the program and successfully accomplishing the mission- the

installation commander.

The benefits achieved by the command approval system are very essential to the management of the individual programs by the Headquarters staff. They must have up-to-date and valid data to make the necessary financial program decisions at command level. The field level organizations however are unnecessarily constrained in program execution. They are directed to accelerate their obligations and then controlled to the point where they have little or no freedom to actually make changes to make this happen.

RECOMMENDATIONS

HQ AFSPC/CE and HQ AFSPC/FM should implement a system to retain the benefits and negate the liabilities of the current system. Give the installation commander the formal authority to use the funds available to him to accomplish the highest priority requirements. Provide the funds in one Budget Activity Code and allow the Wing Commander the ability to plan and budget for Facility Project and Environmental Compliance by allowing him to include these areas in the Wing Financial Plan. Require immediate verbal notification of realignments between EEICs and/or projects to HQ AFSPC with hard copy documentation to follow in 24-48 hours. This maintains the up-to-date data base required by the Headquarters staff and provides the flexibility to the installation commander. It gives him the authority to go along with the responsibility he already has under the current system.