

**GCDAMP BIENNIAL BUDGET PROCESS**  
**Draft for TWG Review**  
**January 7, 2010**

At its August 12-13, 2009 meeting, the Adaptive Management Work Group (AMWG) directed the Technical Work Group (TWG) to develop a two-year non-rolling budget beginning in 2011-12. This document describes the biennial (two-year) non-rolling budget approach and some of the history that led up to its development. The goal is to reduce the effort currently expended on the budget process while maintaining a high-quality adaptive management program.

MOTION: AMWG directs TWG to develop a two-year, FY11-12 two-year, non-rolling budget; and that a description of that process be provided by TWG to AMWG at its next meeting.

*Motion was passed by consensus*

### **1.0 Background**

The previous budget process was approved by AMWG in 2004 and helped to bring some needed structure to the budget process. Within that structure, the primary element was a biennial budget and work plan which would roll the second year of the budget into the first year of the next budget such that each year TWG would develop a two-year work plan. This approach was intended to provide some planning benefits in looking forward a few years and provided opportunity for non-federal entities to pursue additional federal funding for the program.

The major components of the 2004 budget process were described as:

- Two year budget and work plans with rollover of year 2 into year 1 of the next biennial budget, and would include (yet undeveloped) criteria for reopening the budget
- Appropriations request for Federal agency budget or for Congressional write-in
- Strategic 5-year outlook to forecast major changes, determine need for contingencies, and develop draft out-year projects
- Fiscal Reporting, expenditures for the previous fiscal year
- Project Progress Reports, mid-year and end end-of-year reports
- Budget Spreadsheet and work plan
- Formation of the Budget Ad Hoc Group (BAHG)

Since the adoption of this process in 2004, the Glen Canyon Dam Adaptive Management Program (GDCAMP) implemented many aspects of the budget process (outlined above), especially those dealing with reporting, work plans, and budget spreadsheets. However, it was not until 2009 that the GCDAMP developed the first biennial budget for FY 2010-11. During the development of the budget it became clear to many that this rolling budget process would not reduce effort spent on the budget and may have increased the amount of effort needed by the GCDAMP. Thus, an alternative to the rolling budget (i.e., non-rolling biennial budget) was described in general terms to AMWG and adopted by the AMWG for the FY 2011-12 budget cycle (see AMWG motion above).

## **2.0 Description of a Two-year Non-rolling Budget Process**

The general approach is to use a budget development process similar to that taken by the Upper Colorado River Endangered Fish Recovery Program. The goal is to reduce the effort expended on the annual budget process while improving the effectiveness of the Grand Canyon Monitoring and Research Center (GCMRC), TWG, and AMWG. Generally, the GCDAMP would develop a two-year budget the first year of the process. Then, in the second year the GCDAMP would revisit only year-two of the budget and make small corrections, if necessary, to allow for minor changes in projects or potential important new starts not envisioned during year one. The key benefit to this process is that substantial effort may be saved in year-two of the budget process allowing for time and effort to be used on other endeavors of interest to the GCDAMP.

The major components of the two-year budget process would include:

- Two-year budgets and work plans,
- Modifications of the year-two budget based on specific criteria,
- Fiscal reporting, including expenditures for the previous fiscal year (mid-year and end end-of-year reports),
- Project progress reports, including an annual reporting meeting in January
- Budget spreadsheet and work plan, and
- Utilization of the BAHG to help the TWG develop budget recommendations for AMWG consideration.

Much of the rest of the process would be as described in 2004, such as reporting requirements, budget spreadsheets and a work plan would all be developed. TWG and GCMRC will hold an annual reporting workshop in January to review progress on the previous year's work plan. The following describes the specific elements of the budget process and responsibilities.

## **3.0 Budget Process Components**

### **3.1 Budget Principles**

The biennial work plan and budget (BWP) will:

- employ the adaptive environmental assessment and management approach to resources management that was developed by Holling (1978) and Walters (1986), and articulated in the Adaptive Management Program Strategic Plan (AMPSP) to include participation from the BAHG, TWG, and AMWG;
- be consistent with the GCMRC Strategic Science Plan (SSP) and Monitoring and Research Plan (MRP);
- use a collaborative science planning process as described in the SSP and MRP (Figure 1); and
- address GCDAMP priority questions and the associated strategic science questions (SSQs) and using them to provide the primary basis for designing the science program;

The BWP process will be most successful if the AMPSP, SSP and MRP are current and up to date. It is important that science planning and management planning occur currently as portrayed in Figure 1.

### **3.2 Priorities**

All parties in the GCDAMP recognize the fact that not all funds needed and requested will always be made available. Prioritization of work is essential to the budgeting process. This is especially true as we move toward a budget that may include core monitoring and management actions. The Strategic Plan, including the Goals and Management Objectives and Desired Future Conditions when available, and

especially the Information Needs (in sequence order) should serve as the base for determining budget priorities. AMWG will review and update these periodically (e.g., every 5 years) to ensure they reflect new information and program priorities. Currently many of the documents have not been review for nearly a decade. At its basic level the budget should put core monitoring and high priority information needs ahead of other activities. TWG will provide an initial general budget recommendation to AMWG at its spring meeting and AMWG will provide feedback to TWG on budget priorities and general direction which the BAHG, TWG, and GCMRC will use in their development of a final budget recommendation to AMWG.

### **3.3 Budget Ad Hoc Group (BAHG)**

TWG consideration of the budget and work plan has been facilitated by the BAHG, a small ad hoc group which has worked with the Bureau of Reclamation (Reclamation) and GCMRC in past years. TWG will continue to utilize the BAHG to review the budget and work plan and to resolve difficult technical issues. The BAHG will work with Reclamation and GCMRC throughout the budget process and provide a liaison with TWG members. The BAHG will help Reclamation and GCMRC develop and bring to the TWG budgets that are prepared for full TWG discussion and recommendation to AMWG. Thus, technical issues and resolutions of major issues will be resolved to the extent possible before full TWG review. The TWG will give initial budget direction to the BAHG at its annual January reporting meeting. The BAHG will consider this input and the initial budget proposed by Reclamation and GCMRC and provide an initial budget recommendation to TWG at its late-winter meeting (e.g., March). The BAHG will then work with Reclamation and GCMRC through the spring and early summer to provide a final budget and work plan recommendation to the TWG at its summer meeting (e.g., June). In the second year of the BWP this process will be truncated to consider only necessary changes to the budget for year-two (see section 3.8 below).

### **3.4 January Reporting Meeting**

TWG and GCMRC will hold a reporting meeting annually in January to review progress on funded monitoring and research projects for the previous year. GCMRC will provide an annual report for each funded activity in the work plan. TWG will use this time to review and evaluate the progress of projects and to give direction to the BAHG in the development of the initial budget.

### **3.5 Mid-year and End of Year Fiscal Reporting Including Carry Over**

Reclamation and GCRMC will provide mid-year and end of fiscal year reporting of expenditures and carry over to TWG and AMWG.

### **3.6 Budget Spreadsheet and Work Plan**

Reclamation and GCMRC will coordinate to provide a budget spreadsheet for the BAHG to review in January of each year based on either a biennial budget or modifications to the second year of the biennial budget. The spreadsheet will include expected costs for each project based on the priority setting provided by AMWG and discussions with the BAHG. This spread sheet will be used by TWG to provide initial budget recommendations to AMWG. Reclamation and GCMRC will coordinate to provide a budget spreadsheet and work plan to the BAHG in the spring of the first year of the biennial budget development. This spread sheet and work plan will be used by TWG to provide final budget recommendations to AMWG. During the second year of the budget, a full work plan would not be developed, rather a memo from GCMRC outlining changes to the work plan would be provided in addition to the modified spread sheet.

### 3.7 Roles of GCDAMP Entities

- TWG Chair: The chairman of the TWG will endeavor to provide appropriate time for full discussion of the budget on the TWG agenda, and encourage Reclamation and GCMRC to provide budget documents to the TWG sufficiently in advance of meetings to allow for full review prior to TWG meetings.
- GCMRC: Develop budget spreadsheets and work plans in a timely manner that is responsive to Program Direction (SSP/MRP), and to TWG and AMWG requests.
- Reclamation: Develop budget spreadsheets and work plans for their portion of the budget that is responsive to TWG and AMWG requests.
- AMWG: Review the initial budget at its spring meeting and provide input to Reclamation, GCMRC and TWG on priorities and general budget direction and development. Review the final budget recommendation from TWG at its fall meeting and make a final budget recommendation to the SOI.
- TWG: Review the initial budget spreadsheet and initial BAHG budget recommendations and formulate an initial budget recommendation to AMWG at its spring meeting. Review the draft final budget spreadsheet and work plan and make final budget recommendation at its summer meeting for AMWG review at its fall meeting.
- BAHG: Review the initial budget spreadsheet and draft final budget spreadsheet and work plan and make recommendations to TWG at its spring and summer meetings.
- Science Advisors: participate in BAHG, TWG and AMWG deliberations on the budget through the Executive Coordinator. Review the final work plan and budget proposals submitted to the AMWG for the review and provide written feedback to both GCMRC and the AMWG.

### 3.8 Criteria for Review and Revisions of the Year-two Budget

In order for this budget process to be successful in reducing the administrative burden on the GCDAMP it must have clear criteria for making changes to the year-two budget. The following criteria will be used by GCMRC, Reclamation, and TWG in making recommendations to AMWG on changes to the year-two budget:

- Scientific requirement or merit: new information gained during the implementation of monitoring and research projects may result in a need to alter methods, scope, or timelines in the work plan such that either more or less funding is necessary in order to carry out the intended project. This is a science-based need in order to carry out the goals of the project as described during the development of the biennial work plan. This does not represent a shifting priority of individual GCDAMP members, but a true scientific learning process which results in needed modifications to carry out the goals.
- New initiatives: any new initiatives must be brought into consideration via an AMWG recommendation. New initiatives or modifications to projects that are not based on a scientific merit must be vetted through AMWG before they can be considered by TWG. Without these sideboards, the budget discussion would likely become a long drawn-out activity with little chance of resolution. Any proposed new initiative will identify the source of funding for the initiative (i.e., what would be cut to allow for the new initiative to be implemented).
- The burden of an appropriate rationale for proposing a change falls upon the proposer to make a scientific argument for the change or it represents a direct request from AMWG for a change or shifting priority. Thus, participants must fully engage in development of the biennial budget as only limited changes in the year-2 budget will be entertained at the TWG level.

### 3.9 Timeline

Table 1 provides a timeline with tasks to be completed by the various GCDAMP entities.

**Table 1.** Description of the approximate timelines for milestones and activities in the development of a biennial budget and consideration of changes to the second year of the budget.

Month	Year-1 (development of biennial budget)	Year-2 (consideration of year-2 of biennial budget)
December	GCMRC produces annual project reports document	GCMRC produces annual project reports document
January	Annual reports meeting (2 days) followed by 1-day TWG meeting to review TWG concerns and provide guidance to the BAHG. TWG reviews progress in addressing Information Needs and research accomplishments.	Annual reports meeting (2 days) followed by 1-day TWG meeting to review budget and provide guidance to BAHG on any potential changes to consider for year-2 of the budget. TWG reviews progress in addressing Information Needs and research accomplishments.
February-March	GCMRC and Reclamation will provide initial biennial budget spreadsheet to the BAHG. BAHG meets to consider an initial budget recommendation to TWG focusing on priorities and major issues to be reconciled.	GCMRC and Reclamation will provide revised budget spreadsheet and any modified project work plans to BAHG. Abbreviated BAHG review of recommended changes with a recommendation to TWG.
March	TWG meets to consider an initial budget recommendation to AMWG. Consider priorities for funding, major unresolved issues, and guidance from AMWG on general direction.	TWG and SA reviews BAHG recommended changes to year-2 of the biennial budget and makes recommendations to AMWG.
Early May	AMWG meets to consider TWG's initial budget recommendation and provide guidance to TWG on priorities, general direction, and guidance on any major unresolved issues.	AMWG meets to consider changes to year-2 of the biennial budget and make recommendations to the SOI if changes are needed.
May-June	GCMRC and Reclamation provides the work plan to the BAHG and SAs by early May for their consideration of a biennial budget and work plan to TWG.	If changes are recommended by AMWG, the SOI reviews the budget and work plan recommendation.
Late June/Early July	TWG meets to consider a BAHG recommendation and SA review comments for a biennial budget and work plan and provide a recommendation to AMWG.	
Late August/Early September	AMWG meets to consider a biennial budget and work plan recommendation from TWG in order to make a recommendation to the SOI.	
September	SOI reviews the budget and work plan recommendation from AMWG.	

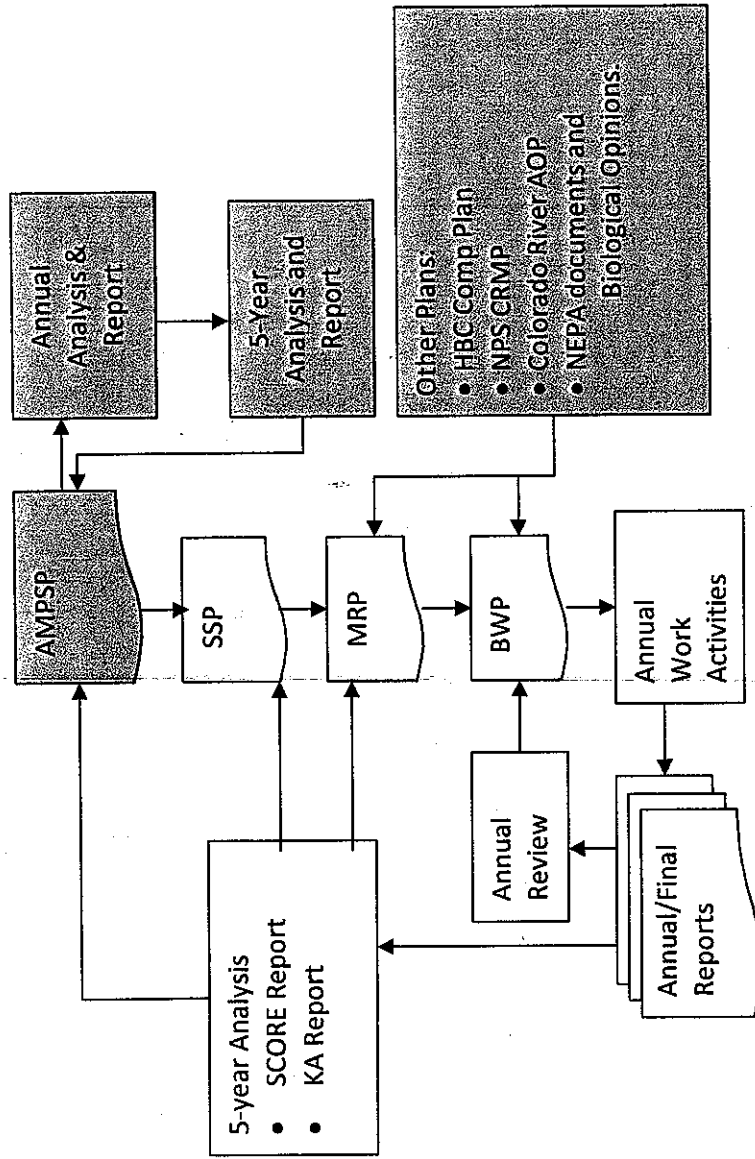


Figure 1. Collaborative science planning and implementation process from GCMRC's Strategic Science Plan. The Glen Canyon Dam Adaptive Management Program and the Department of the Interior have lead responsibility for the shaded boxes. The Grand Canyon Monitoring and Research Center has lead responsibility for the boxes that are not shaded.