Use Performance Measures and Policy Direction Guidance memo to:
- Rank competing investments in each business program
- Demonstrate improved outcomes from added increments

Develop amounts based on their own internal performance metrics for:
- GE; REG; FCCE; REC; ENV Stewardship; FUSRAP

Develop Performance Based program for project competing business lines:
- Initial level (NO new work, phases or contracts, previously budgeted projects only)
- Categorize and Prioritize CG projects into Priority levels
- Add Performance Base High Return items and increments for GI and O&M items

Add to the Highest Priority, ongoing projects & contracts to “Final Budget”
Budgeting Metrics

Main Ranking Criteria

- All - New/Continuing/Completing/Years to Complete
- ENR - Loss prevention for significant natural resources
- FRM & NAV & HYDRO - Benefit to Cost Ratio
- FRM & NAV - Dam Safety & Seepage Stability
- FRM - People in the 100-yr floodplain
- FRM - Flood “Risk” Index
- NAV- Tonnage movements
- NAV & HYDRO - “Risk” Assessments
- ALL INV - Watershed Elements
- ALL CONST - ESA & compliance needs
- ALL O&M - Safety, Caretaker, Compliance, Subsistence
Simple FY 08 Budget Arithmetic

$4.8B "Gross National Allocation"

- $ 1.8B Base O&M
- $900M GE, REG, FCCE, REC, FUSRAP etc.
- $500M Dam Safety
- $400M National Priority
- $700M Continuing Const Cont
- $100M Investigations

$400M Left for "Distribution" THAT’s IT!

- A tough job to make it ALL fit!
## Program Comparison

<table>
<thead>
<tr>
<th>Program</th>
<th>FY06 Appr</th>
<th>FY07 Appr (1) (2)</th>
<th>FY08 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ Millions</td>
<td>$ Millions</td>
<td>$ Millions</td>
</tr>
<tr>
<td>Investigations</td>
<td>162</td>
<td>162</td>
<td>90</td>
</tr>
<tr>
<td>Operation &amp; Maintenance</td>
<td>1,969</td>
<td>1,969</td>
<td>2,471 (2,185)</td>
</tr>
<tr>
<td>Construction</td>
<td>2,348</td>
<td>2,325</td>
<td>1,523 (1,809)</td>
</tr>
<tr>
<td>Miss. River &amp; Tribs.</td>
<td>396</td>
<td>396</td>
<td>260</td>
</tr>
<tr>
<td>Regulatory Program</td>
<td>158</td>
<td>159</td>
<td>180</td>
</tr>
<tr>
<td>Flood Control &amp; Coastal Em.</td>
<td>0</td>
<td>22 (3)</td>
<td>40</td>
</tr>
<tr>
<td>F.U.S.R.A.P.</td>
<td>139</td>
<td>133</td>
<td>130</td>
</tr>
<tr>
<td>Expenses</td>
<td>152</td>
<td>163</td>
<td>171</td>
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<tr>
<td>ASA(CW)</td>
<td>4</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,329</strong></td>
<td><strong>5,334</strong></td>
<td><strong>4,871</strong></td>
</tr>
</tbody>
</table>

(1) = FY06 – 1% rescission + FY07 labor adjustment

(2) Administration may propose rescission

(3) Proposed