



U.S. Chemical Safety and Hazard Investigation Board

BUDGET JUSTIFICATION

Fiscal Year 2010

Budget Justification for Fiscal Year 2010
Chemical Safety and Hazard Investigation Board
February 2, 2009

Table of Contents

Summary	1
2008 – A Year of Significant Achievements	2
Proposed Funding for FY 2010	3
<i>Improvements to Incident Monitoring, Screening, and Investigation</i>	3
<i>Continuing Proven Outreach Efforts</i>	9
<i>Other Increases</i>	10
<i>Future Issues with Possible Budgetary Impacts</i>	10
<i>Status of Emergency Fund</i>	11
Conclusion	11
Appendix A: Recommended Appropriations Language	12
Appendix B: Fiscal Year 2008-2010 Salaries & Expenses	13
Appendix C: Analysis of Change FY 2009 to FY 2010	14
Appendix D: Significant Adjustments to Analysis of Change FY 2009-2010	15
Appendix E: CSB Appropriations by Fiscal Year	17
Appendix F: CSB Personnel Data	18

Budget Justification for Fiscal Year 2010
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Summary

For fiscal year (FY) 2010, the Chemical Safety and Hazard Investigation Board (CSB) requests a budget of \$10.85 million,¹ an increase of \$1.59 million above the FY 2009 continuing resolution budget of \$9.26 million.² The majority of the increase, \$1.32 million, supports hiring more staff, including fully funding investigative and other positions that are budgeted for part of FY 2009. The increase also includes funding for three new investigator positions, forming a new assessment team that will allow the agency to reach more accident sites each year. The requested growth is necessary to implement broad recommendations from the Government Accountability Office (GAO) to increase the number of CSB investigations of serious chemical and oil refinery process accidents. Additional funds would support the filling of a director of operations position, as recommended by the GAO.

The remainder of the increase in personnel costs funds an anticipated January 2010 cost-of-living increase, the retention and promotion of promising entry-level investigators, and other adjustments to the agency's payroll and expenses. In addition to personnel increases, the FY 2010 request also includes \$195,000 to support the CSB's highly regarded safety video program, which is widely used in safety programs across industry and government. Other adjustments include \$148,000 in additional funds to pay for unavoidable, scheduled increase in payments to the Bureau of the Public Debt for accounting, procurement, and travel services.

¹ Under Section 112(r) of the Clean Air Act Amendments of 1990, the CSB prepares its budget request and justification independently from the Office of Management and Budget; as a result, the requested amounts may differ from those in the president's budget.

² Based on funding provided by Public Law 110-329, Division A--Continuing Appropriations Resolution, 2009.

2008 – A Year of Significant Achievements

The CSB continued to fulfill its statutory mission by deploying investigators to major chemical process accident sites, preparing comprehensive investigation reports, presenting testimony in congressional hearings, convening public meetings throughout the country, and effecting positive change in regulations, standards, and industry practices – all with the goal of preventing future deaths, injuries, economic losses, and environmental damage.³

During 2008, the Board's investigations, recommendations, and studies continued to have national and global impacts. The CSB testified at two high-profile Congressional hearings on combustible dust explosion hazards, in March 2008 and July 2008. In April, the full House of Representatives approved legislation – based on CSB safety recommendations – to develop a new comprehensive OSHA standard to save lives by preventing dust fires and explosions.

The CSB completed six accident investigation reports in 2008 and conducted well-attended public meetings in West Virginia and Massachusetts, where the Board approved extensive new recommendations to improve fire safety and training. The CSB recommendations issued in 2008 will help to improve the safety of firefighters responding to hazmat incidents, of communities near chemical plants and hazardous waste sites, and of operators handling common flammable liquids and solvents. In addition to completing these projects, CSB investigators were deployed to 13 accident sites across nine different states during 2008, and investigations are now proceeding on 10 new cases.⁴

The year also saw the much-anticipated completion of New York City's overhaul of its fire code – the first comprehensive reform of the code since 1918. The code reform effort grew from CSB safety recommendations and advocacy initiated during a 2002-2003 CSB investigation of a building explosion in Manhattan.

In Florida, a state-appointed task force concurred with CSB safety recommendations from 2007 asking the governor and legislature to require OSHA coverage for the state's approximately 400,000 state and local public employees.⁵ The task force was convened by the legislature following the CSB's investigation of a tragic explosion at a municipal wastewater treatment plant in 2006, where two public employees were killed during an unregulated torch-cutting operation above a flammable storage tank.

Finally, the CSB released an unprecedented seven computer-animated safety videos, based on CSB investigative findings and recommendations. Among these was a 55-minute video on the 2005 BP Texas City refinery disaster, discussing the lessons the CSB believes oil and chemical

³ For a detailed description of the CSB's activities and accomplishments in FY 2008, please see the agency's Performance and Accountability Report (PAR), available on the Legal Affairs page of CSB.gov.

⁴ In addition, the CSB has been investigating a refinery fire that occurred on January 12, 2009, near Salt Lake City, Utah.

⁵ For more information on the conclusions of the task force, see <http://www.floridaworkplacesafety.org/>.

companies around the world need to embrace in the wake of the accident.⁶ Overall, CSB videos were viewed over 930,000 times online in 2008, and the agency distributed more than 29,000 DVDs requested from around the world. The American Chemical Society, the world's largest scientific society, specifically recognized the CSB safety video program in giving the agency as a whole its 2008 Howard Fawcett Award for "outstanding contributions to chemical health and safety."

In 2008, the agency also took decisive action to strengthen its investigations program and its hiring by opening a small new regional office at a federal center west of Denver, Colorado. The agency concluded a lease agreement for the space and is in the process of hiring three new investigators to staff the Denver office, which should be functioning by mid-2009.

These achievements – remarkable for an agency of the size of the CSB – are ones we believe will save lives and will improve the safety of millions of Americans.

Proposed Funding for FY 2010

To continue its highly influential chemical safety investigations, the Board requests funds to expand the Office of Investigations by hiring three additional accident investigators in fiscal year 2010. The Board also seeks funds for a new director of operations, for safety video production, and for other costs associated with the operation of a small agency.

Improvements to Accident Monitoring, Screening, and Investigation

The CSB must improve its ability to monitor chemical accidents within its jurisdiction and to make initial assessments of their importance. These improvements must be supplemented by an increase in the CSB's capacity to investigate more priority accidents. These operational improvements are necessary to fulfill the CSB's statutory mission and follow recent GAO recommendations to the Board.⁷ Among other things, the GAO recommended that the CSB "develop a plan to address the investigative gap and request the necessary resources from Congress to meet [the] CSB's statutory mandate," i.e. to investigate "any accidental release resulting in a fatality, serious injury or substantial property damages." The proposed funding will enable the CSB to improve its grasp over incident information and to improve its ability to conduct additional investigations as urged by the GAO.

Both the GAO and the Board acknowledge that the CSB does not currently investigate all such accidents and that it lacks the resources to do so – a situation which the GAO refers to as "the investigative gap." In its report, the GAO suggested that, in addition to requesting more resources from Congress, the CSB should seek to conduct more smaller investigations, analogous to NTSB briefs on civil aviation accidents.

⁶ Industry and government organizations continue to respond to the CSB's findings from the BP investigation. For example, the American Petroleum Institute and the United Steelworkers are now developing standards on managing operator fatigue and on measuring process safety performance; OSHA is continuing its implementation of a National Emphasis Program to strengthen process safety enforcement at refineries and announced plans for a similar program focused on the chemical industry.

⁷ U.S. Government Accountability Office Report GAO-08-864R.

Specifically, the CSB's best estimate is that it was able to deploy to about one-third of the important incidents it identified during the last calendar year. The CSB received notification of 983 potential chemical accidents from sources including media reports, the National Response Center, and other federal agencies. The CSB deployed investigators and is conducting investigations of 10 of the most serious of those accidents. As discussed below, however, the CSB's best current estimate is that up to 21 additional incidents merited a greater level of attention.

CSB investigations are unique in their depth, thoroughness, and national importance. Each investigation is an opportunity to produce findings, recommendations, and information to save lives by preventing future accidents – accidents that may also cost jobs, damage neighborhoods, disrupt regional economies, and permanently shutter important factories and refineries.

The CSB is conducting full, detailed investigations of the following five major accidents that occurred in 2008:⁸

- **BP America Oil Refinery**, process filter explosion, one worker killed, Texas City, Texas, January 14
- **Imperial Sugar Refinery**, sugar dust explosion, 14 workers killed, Savannah, Georgia, February 7
- **PCA Cardboard Mill**, pulp waste tank explosion, three workers killed, Tomahawk, Wisconsin, July 29
- **Bayer CropSciences Pesticide Plant**, chemical treatment vessel explosion, two workers killed, Institute, West Virginia, August 28
- **Allied Terminals Storage Facility**, fertilizer tank collapsed, two workers critically injured, neighborhood contaminated, Chesapeake, Virginia, November 12

In addition, the CSB is conducting focused, shorter investigations of five other cases:

- **Goodyear Chemical Plant**, heat exchanger ruptured, one worker killed, Houston, Texas, June 11
- **MAR Oil Well**, oil storage tank explosion, two workers killed, La Rue, Ohio, October 19⁹
- **Indspec Chemical Plant**, oleum cloud released, thousands of local residents evacuated, Petrolia, Pennsylvania, October 25
- **Delek Oil Refinery**, naphtha explosion in saturated gas unit, two workers killed, refinery shut down, Tyler, Texas, November 20

⁸ Visit CSB.gov for additional details.

⁹ The MAR Oil and EMC Used Oil cases both relate to hot work (welding) being performed without flammable gas testing; both cases will likely be summarized in a single short written product.

- **EMC Used Oil**, waste oil tank explosion, one worker killed, Miami, Florida, December 4⁹

These ten cases raise a multitude of important safety issues, which the CSB is now investigating – including the adequacy of regulations covering hot work and welding, the need for greater oversight of major aboveground storage tanks, and the safety of control room siting at oil refineries.

Beyond these ten cases, however, at least 21 other incidents were serious or fatal events that the Board could not investigate – generally due to a lack of available personnel. These incidents cost lives and damaged a wide range of facilities, including many involved in producing energy from existing or alternative sources.

1. **January 4, 2008, Defiance, Ohio:** An explosion at a biodiesel plant injured three people, knocked out electric service, and forced a community evacuation.
2. **January 5, 2008, River Rouge, Michigan:** One worker was killed and others were taken to the hospital following an explosion during maintenance on a gas line at a steel facility.
3. **February 18, 2008, Provo, Utah:** One worker was critically burned and others were injured in an apparent reactive chemical explosion that heavily damaged an iron pipe plant. The explosion reportedly occurred after a frozen pipe leaked water onto calcium carbide, causing a chemical reaction that released explosive acetylene gas.
4. **February 19, 2008, Big Spring, Texas:** Four workers were injured in a massive explosion and fire at an oil refinery. A passerby was taken to the hospital after her car was struck by debris, and schools and an interstate highway were closed.
5. **April 22, 2008, Terre Haute, Indiana:** An explosion at a synthetic coal gas plant killed two workers and shut the facility for months.
6. **April 29, 2008, Redwood, Mississippi:** A worker was killed and several others were critically injured by an explosion in a recovery boiler at a paper mill.
7. **May 18, 2008, Princess Anne, Maryland:** An explosion at a biodiesel plant killed a welder.
8. **May 19, 2008, Mead, Colorado:** A worker was burned to death from an explosion in a dryer at a specialty chemical plant.¹⁰
9. **May 22, 2008, Palm Bay, Florida:** An explosion killed a worker at a specialty chemical plant.⁹

¹⁰ The CSB briefly sent investigators to this site but lacked the available personnel to investigate the cause.

10. **May 30, 2008, Auburn Township, Ohio:** A teenager was killed and his brother was critically injured attempting to rescue their father from inside a fuel storage tank he was cleaning.
11. **June 8, 2008, Chicago, Illinois:** A worker at a chocolate factory was killed and others were injured when an apparent chemical reaction caused toxic ammonia gas to be released from a product batch.
12. **June 21, 2008, Middletown, Ohio:** A worker was overcome and killed and a community shelter-in-place was ordered following a release of toxic hydrogen sulfide gas from a waste treatment plant.
13. **August 12, 2008, Gainesville, Virginia:** A worker on a ladder fell to his death and others were burned from an asphalt explosion.
14. **September 12, 2008, Aztec, New Mexico:** A worker was killed when a nitrogen tank exploded at a well site.
15. **September 17, 2008, Camden, Arkansas:** A rocket motor explosion killed a worker and caused a fire at a plant that makes guided missiles and propulsion systems.
16. **October 14, 2008, Honolulu, Hawaii:** A welder was killed and three others were injured when a tank exploded at a waste oil facility.¹¹
17. **October 29, 2008, Crossville, Illinois:** Two men were killed and four others (including a state environmental inspector) were hospitalized with burns following an explosion during an operation to seal off an oil well.¹²
18. **November 3, 2008, Arkoma, Oklahoma:** A man was fatally injured when a spent military shell exploded at a plant that scraps munitions.
19. **November 23, 2008, Crossville, Illinois:** An explosion involving highly reactive acrolein destroyed a chemical warehouse and damaged homes and businesses over a wide area.
20. **December 7, 2008, Huntsville, Alabama:** A worker collapsed and died at a plant that produces tungsten, possibly as a result of exposure to toxic hydrogen sulfide gas.
21. **December 29, 2008, Los Angeles, California:** A university research assistant was

¹¹ The CSB is reviewing a report conducted by Honolulu authorities to determine how this case may relate to other hot work accidents.

¹² The CSB collected some information on this case, interviewing key witnesses by telephone, but did not investigate.

fatally burned in a lab fire involving a chemical that ignites on contact with air.¹³

Increasing the number of investigative staff will allow the CSB to conduct root-cause investigations of a greater proportion of serious chemical accidents that may have major workplace or community impacts. The shortage of investigators was noted in the most recent House appropriations report on the Board (Report 110-187):

According to testimony received by the Committee, the Board is unable to investigate more than half of the accidents scoring high enough to warrant the Board's attention. The Committee believes that it is a wise use of funds to provide [additional investigators].¹⁴

The current shortage of investigative staff results in hardships such as employee burnout, deferred training and leave, and delayed publication of final reports because the same investigative team must work on several investigations at one time. The shortage also results in extensive time away from family during deployments and onsite activities, which can cause hardships in home life. The situation harms morale and makes the retention of high-performing employees more difficult.

However, hiring investigators in Washington, DC, has proven to be a perennial problem for the CSB. Many otherwise qualified applicants become discouraged by the high cost of living and particularly by the long distances between Washington and the regions where most oil and chemical companies are located.

To respond to these challenges, the CSB has established its first field office outside of Washington, located at the federal center in Lakewood, Colorado, just west of Denver. Two CSB employees (the office director and an investigator) are currently stationed in Denver. Three additional employees (two experienced investigators and an entry level intern) will be hired¹⁵ to complete the initial staffing of the Denver office.

These current and future employees will form a self-contained investigative team based in Denver and focused on accidents in the western, southwestern, and midwestern United States. By using existing employees, existing vacancies, and low-cost federal office space,¹⁶ the CSB has established this new office with minimal budgetary impact. Initial results from job postings in Denver suggest the agency will be much more successful in recruiting outside of Washington, DC. Compared to DC-based job postings, Denver-based postings have elicited as many as eight times the number of applications.

If this regional approach is successful, it may lay the foundation for future small field offices in Texas, California, or other states with large concentrations of affected industries.

¹³ The CSB is currently still evaluating this case and gathering information.

¹⁴ The CSB budget was later reduced below the House-recommended level in the final 2008 budget, which remains in effect under the 2009 continuing resolution.

¹⁵ The CSB is currently reviewing a large number of applications received for the vacancies in Denver.

¹⁶ Denver office space costs the agency approximately \$13 per square foot, compared to \$44 per square foot in Washington, DC.

With the recruitment of the Denver-based team – and the completion of other hiring initiatives deferred during the current FY 2009 continuing resolution – the CSB will have three fully staffed investigative teams in place by the end of fiscal 2009. For FY 2010, the CSB requests funds for three additional investigators, who will form a fourth, smaller team focused on conducting shorter assessments of accidents and issuing short written products, such as safety alerts or outreach materials. The CSB anticipates that a team focused exclusively on shorter case assessments could be deployed to at least 12 accident sites each year.

The results of these short assessments could include (a) identification of major safety issues that warrant a full-scale investigation and commitment of additional resources; (b) identification of well-known, recurrent issues that can be discussed in brief reports or outreach products; (c) collection of safety information that can be used in future agency reports and studies; (d) verification and improvement of the quality of data used to screen incidents; and (e) establishing contacts with other investigative organizations (such as state and local agencies) whose reports the CSB could gather and analyze.

Hiring this fourth small assessment team will alleviate some of the burden of constant travel and deployment from current staff, potentially improving retention and morale.¹⁷ In addition to the three investigator positions, the CSB requests funds for three related positions, which have been held vacant under the continuing resolution and are needed to support the investigative program. Specifically, the CSB requests funding for:

- a director of operations to oversee the agency's investigative and technical programs, as recommended by the GAO
- a procurement specialist, primarily to facilitate contracts that support investigations (such as laboratory and equipment testing)
- a full-time incident screener¹⁸ to improve quality and completeness of the agency's data on accidental releases, and to implement an incident reporting regulation, as required by law and as recommended by the GAO and prior audits¹⁹

In addition, the CSB requests \$127,000 for the retention of current, high-performing entry-level investigators and other employees through structured promotions and student loan repayments. As noted by the GAO, the CSB has not been fully successful in preventing talented young staff from leaving for the private sector. This increase will fund programs to help retain these talented individuals who have chosen to begin their careers at the CSB.

Without the gradual, phased expansion of the CSB investigative program, it is inevitable that there will continue to be serious accidents – many causing fatalities or life-threatening injuries –

¹⁷ Contingent on the success of hiring investigators in Denver during FY 2009, the new team could also be located and recruited there.

¹⁸ Currently a group of entry-level investigators divides responsibility for incident screening on a rotation schedule. The GAO recently critiqued the quality of the CSB's incident data and recommended improvements, which the CSB agreed to make.

¹⁹ These three positions will be recruited during the remainder of FY 2009, and full-year funding would be required in FY 2010.

for which no public, root-cause investigations will occur. The lack of public investigations represents a significant lost opportunity for developing new findings and recommendations that could save lives in the future.

Continuing Proven Outreach Efforts

Under the CSB Strategic Plan for FY 2007-2012, the CSB established a strategic goal for the broad dissemination of its findings, recommendations, and lessons learned among a multitude of stakeholders. The Board recognizes that a potent tool for achieving the agency's mission is more widespread awareness of the causes of chemical accidents and the measures that can prevent them.

In late 2005, the CSB began complementing our lengthy written reports with short, computer-animated safety videos. These videos can be viewed or downloaded over the Internet or obtained free of charge by filling out a web-based request form. The videos are also available through file sharing sites like YouTube and Apple iTunes.

The FY 2010 budget request seeks an increase of \$195,000 for production of safety videos based on CSB investigations. As noted in the FY 2008 House Report 110-187:

The Committee agrees that the availability of videos will facilitate improvements in training, engineering and process design and help to prevent multiple tragic and costly workplace accidents around the country.

Last year, the CSB released an unprecedented number of safety videos – seven in all – including a nearly hour-long video on the 2005 BP Texas City disaster. In 2008, CSB safety videos were viewed more than 930,000 times over the Internet, and more than 29,000 DVDs were distributed worldwide. The agency has received DVD requests from 40 companies on the Fortune 100 list – including food, automotive, insurance, and electronics giants as well as all the nation's largest oil and chemical companies. The CSB has received video requests from 47 of the top 50 U.S. chemical companies as ranked by *Chemical and Engineering News*, including all but one of the 17 chemical companies listed on the Fortune 500. Thousands of fire chiefs, fire marshals, and first responders are also using the videos for training to protect themselves from the hazards of accidental chemical releases.

Over its short life of ten years, the CSB has built a unique body of knowledge and insight gained from its more than 50 detailed accident investigations and safety studies. The CSB's videos have reached not only the traditional audiences in the oil and chemical industries but also hospitals, national parks, nuclear power plants, schools and universities, fire departments, and many other organizations.

The CSB has funded most of the existing videos by reprogramming unspent compensation from vacant board seats and other sources – funds that may not be available in 2010 and future years. The Board's FY 2009 operating budget includes \$105,000 for video production; the request would bring the FY 2010 budget for videos up to \$300,000 which is sufficient to produce six videos on the Board's most significant investigations.

Other Increases

Since FY 2000, the CSB has obtained essential accounting, procurement, and travel services under an interagency agreement with the Bureau of the Public Debt (BPD) of the Treasury Department. Late in FY 2007, the BPD advised the Board and other agencies that it will be increasing its pricing significantly in future years. According to BPD officials, the increases are due to accounting system changes that will directly assign shared costs to customers. In addition, the BPD has incurred higher costs to meet mandates from improved physical and IT security. Finally, the BPD is establishing a capital operating reserve, which it will use to offset future costs. The cost increase for the CSB, amounting to \$148,000, will come into full effect in FY 2010, rather than in FY 2009 as the BPD originally proposed.

An increase of \$223,000 is requested to cover cost-of-living and payroll adjustments (such as routine pay step increases). Other small increases and decreases to the budget are described in the Appendices.

Future Issues with Possible Budgetary Impacts

Rental of office space is a major component of the CSB budget, accounting for approximately \$842,000 in FY 2009. For more than ten years, the CSB has been located in commercial office space in downtown Washington, DC. At the end of FY 2010, the agency's ten-year lease (which provides space at below current market rates) is set to expire. The existing lease has an option to renew for an additional five years; however, the cost of renewal is not yet known but undoubtedly will increase (initial estimates of the cost increase are approximately 25%). The CSB is working actively on options for office space for FY 2011 and beyond, including lease renewal or relocation to new quarters. If the decision is made to seek new quarters, the CSB will incur moving costs late in FY 2010.²⁰ The CSB is currently researching those costs and will keep the relevant Congressional committees and the Office of Management and Budget informed of its findings.

As recommended by the GAO, the CSB is now proceeding with the process to develop an incident reporting rule, as required by federal law under the Clean Air Act Amendments of 1990, which established the Board. Specifically, the law requires that the CSB:

... establish by regulation requirements binding on persons for reporting accidental releases into the ambient air subject to the Board's investigatory jurisdiction. Reporting releases to the National Response Center, in lieu of the Board directly, shall satisfy such regulations. The National Response Center shall promptly notify the Board of any releases which are within the Board's jurisdiction.

The Board notes that a potential reporting mechanism described by the statute, involving

²⁰ The cost to move furniture, records, and equipment from the CSB headquarters to another location in the Washington, DC, metropolitan area is currently estimated at \$150,000. This potential cost has not been included in the current request.

the National Response Center (NRC), would result in significant new costs to the CSB. Since the NRC (a program of the U.S. Coast Guard) has no Congressional appropriation and recovers all its costs from its federal customers, the CSB would be obliged to pay the full cost of a dedicated NRC reporting line. The NRC has informed the CSB that the cost of this service is \$450,000 per year (this cost is not included in the FY 2010 request). The CSB will explore whether there are lower cost alternatives.

As the CSB proceeds through the public rulemaking process, it will provide additional information to Congress and the OMB about the estimated costs of the reporting system.

Status of Emergency Fund

The CSB currently has a no-year emergency fund for investigations totaling \$844,000. The agency is not currently requesting any change to this fund. Thus far, the CSB has been able to fund investigation costs through reprogramming of existing funds without drawing down the emergency fund. Should the need arise for the Board to draw upon the fund due to an emergency circumstance, the agency will immediately inform Congress and the Office of Management and Budget.

Conclusion

The year 2008 witnessed many serious chemical accidents, none more tragic than the massive dust explosion at the Imperial Sugar refinery near Savannah, Georgia. The blast killed 14 workers, injured dozens of others, and inflicted hundreds of millions of dollars in property damage and lost business. It was a sobering reminder of the tremendous cost of chemical accidents. No community in America wishes to see such accidents occur.

In addition to the human toll of process accidents, these disasters directly affect struggling American workers and consumers. The nation's critical transportation and heating fuels are the product of America's approximately 150 oil refineries. During the past year alone, while gasoline prices soared, a number of these refineries experienced fires and explosions serious enough to cause a partial or total shutdown. As the CSB noted in an investigation report in July 2008, the unplanned shutdown of even a single refinery can lead to shortages and gasoline price spikes in markets hundreds of miles distant.

The Chemical Safety Board's work to prevent such disasters – through improved regulations, standards, and industry practices – is a small but prudent investment that leverages taxpayers' dollars. For FY 2010, the CSB requests modest increases to its investigations and outreach programs in the sincere hope that future costly disasters will be avoided, and lives spared.

Appendix A: Recommended Appropriations Language

CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD *Federal Funds*

General and special funds

CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD

SALARIES AND EXPENSES

For necessary expenses in carrying out activities pursuant to section 112(r)(6) of the Clean Air Act, as amended, including hire of passenger vehicles, uniforms or allowances therefore, as authorized by 5 U.S.C. 5901-5902, and for services authorized by 5 U.S.C. 3109 but at rates for individuals not to exceed the per diem equivalent to the maximum rate payable for senior level positions under 5 U.S.C. 5376, \$10,850,000.

Appendix B: Fiscal Year 2008-2010 Salaries & Expenses

(Dollars in Thousands)

	FY 2008 Actual	FY 2009 Budget ¹	FY 2010 Request
Personnel Compensation & Benefits	\$5,388	\$5,761	\$7,085
Contractors	392	288	284
Fixed Costs			
Rent, Communications, & Utilities	836	867	907
Interagency Services	503	533	609
Maintenance	40	64	58
Total Fixed Costs	1,379	1,464	1,574
Variable Costs			
Travel & Transportation	390	445	468
Rent, Communications, & Utilities	74	138	111
Printing	38	43	43
Other Services	835	975	1,145
Supplies	111	139	130
Equipment	230	10	10
Total Variable Costs	1,678	1,750	1,907
Total Costs	\$8,837	\$9,263	\$10,850

¹ Based on funding provided by Public Law 110-329, Division A – Continuing Appropriations Resolution, 2009.

Appendix C: Analysis of Change FY 2009 to FY 2010

Salaries & Expenses

(Dollars in Thousands)

FY 2009 Continuing Appropriation (Salaries & Expenses) \$ 9,263

Summary of Adjustments to Base and Built-In Changes

Personnel Cost Increases¹

Full Year Cost of Positions Filled During FY 2009	105
Cost for Unfilled FY 2008 Positions ²	433
Cost for New FY 2009 Positions ³	296
Partial Year Cost for Three New Investigator Positions	140
Estimated Cost of January 2010 Pay Increase and Pay Adjustments ⁴	223
Retention Programs	127
TOTAL INCREASE	1,324

Contractors Cost Increases

Librarian	(4)
TOTAL INCREASE	(4)

Fixed Cost Increases

Rent, Communications, & Utilities	40
Interagency Services	76
Maintenance	(6)
TOTAL INCREASE	110

Variable Cost Increases

Travel & Transportation	23
Rent, Communications, & Utilities	(27)
Other services	170
Supplies	(9)
TOTAL INCREASE	157

Total Adjustments to FY 2009 Salaries & Expenses..... 1,587

Total FY 2010 Appropriation Request \$ 10,850

¹ Benefits are calculated at 27.83 percent of base pay.

² Positions unfilled under continuing appropriation for FY 2009: Board Member, Director of Operations, and a Procurement Specialist.

³ House Report 110-187 provided funding for 3 new investigative positions in FY 2008. However, the final appropriation was not sufficient to fill these positions in FY 2008 or in FY 2009 under a continuing appropriation.

⁴ FY 2010 pay increase estimated at 3.20 percent of base pay, plus payroll adjustments.

Appendix D: Significant Adjustments to Analysis of Change FY 2009-2010

Personnel Costs: The FY 2010 budget for personnel costs reflects an increase of \$1,324,000 in order to:

- Fully fund two investigative positions and one incident screener position which are partly funded by the FY 2009 continuing appropriation. These positions were vacant as of February 2, 2009. The full year FY 2010 cost for these positions is \$105,000 more than the partial year funding budgeted for FY 2009.
- Fund three positions, Board Member, Director of Operations, and a Procurement/EEO specialist, that are not funded by the FY 2009 continuing appropriation. The FY 2010 cost of these positions is \$433,000.
- Fund three investigative positions, which were provided for in House Report 110-187. However, the final FY 2008 and FY 2009 continuing appropriations were not sufficient to fill these positions. These positions are needed to fully staff the current three investigative teams. The full year FY 2010 cost of these positions is \$296,000.
- Fund three new investigative positions that will enable the CSB to perform assessments on additional incidents. The partial year FY 2010 cost of the team is \$140,000.
- Provide for the projected January 2010 pay increase and miscellaneous payroll adjustments totaling \$223,000
- Provide funding for programs to retain and advance entry level employees. Specifically, \$98,000 to provide for structured promotion of qualified individuals, and to increase funding for the Student Loan Repayment Program by \$29,000.

Rent, Communications, & Utilities: In accordance with our lease the CSB will have a \$30,000 increase in office rent in FY 2010, along with an increase in communication cost of \$10,000.

Interagency Services: The net increase of \$76,000 is a result of an increase of \$148,000 for our interagency agreement with the Bureau of Public Debt for our accounting, procurement, and travel services, and a decrease of \$72,000 which results from cancellation of our interagency agreement with the NTSB, and other minor agreement adjustments.

Travel: The increase of \$23,000 is a result of funding investigative travel for additional incident assessments of \$25,000, and a decrease of \$2,000 in miscellaneous travel.

Other Services: The increase of \$170,000 is a result of a \$195,000 in line item funding for safety videos, and a decrease of \$25,000 in miscellaneous adjustments. The production of safety videos has mostly been paid using vacant position funds along with partial program funding in FY 2009. The additional funds will permit fully funding this vital outreach program. The videos use advanced computer animation to explain in just a few minutes precisely how a major chemical accident occurred. The videos present the specific findings and recommendations from CSB reports and feature interviews with CSB Board Members and investigators discussing

appropriate good safety practices for all similar companies to follow. Safety videos facilitate improvements in training, engineering and process design, and help to prevent multiple tragic and costly workplace accidents around the country.

However, without fully funding the program, it is uncertain how the program can be continued once vacant positions have been filled.

Appendix E: CSB Appropriations by Fiscal Year

(Dollars in Millions)

Salaries & Expenses

Fiscal Year	One-Year Funds	Two-Year Funds	Total Funds
1998	\$4.00	\$0.00	\$4.00
1999	6.50	0.00	6.50
2000	7.97	0.00	7.97
2001	4.99	2.49	7.48
2002	5.34	2.50	7.84
2003	7.31	0.50	7.81
2004	8.20	0.00	8.20
2005	9.03	0.00	9.03
2006	9.06	0.00	9.06
2007	9.11	0.00	9.11
2008	9.26	0.00	9.26
2009 ^a	9.26	0.00	9.26
2010 ^b	10.85	0.00	10.85

^a Based on funding provided by Public Law 110-329, Division A – Continuing Appropriations Resolution, 2009

^b Request

Emergency Fund^c

Fiscal Year	New Funding	Amount Spent to Date	Total Available
2004	\$0.44	\$0.00	\$0.44
2005	0.40	0.00	0.84

^c The Emergency Fund was established in FY 2004. It provides a funding mechanism so periodic accident investigation cost fluctuations can be met without delaying critical phases of the investigations. It is no-year funding, meaning it is available until expended.

Appendix F: CSB Personnel Data

Grade	On Board 9/30/2006	On Board 9/30/2007	On Board 9/30/2008	On Board 1/31/2009	Projected 9/30/2009 ^a	Request FY 2010
GS-7	6	7	3	1	3	5
GS-9	3	3	4	6	4	2
GS-11	1	2	4	3	7	5
GS-12	1	1	1	1	2	4
GS-13	3	2	3	3	4	6
GS-14	13	11	8	9	11	12
GS-15	8	8	10	9	9	9
Executive	5	3	4	4	5	5
SES	1	1	1	1	2	2
Totals	41	38	38	37	47	50

^a Based upon an estimated full-year appropriation of approximately \$9.9 million; at the date of this submission, however, the full-year CSB budget for FY 2009 has not been enacted and the CSB is operating under a continuing resolution. Under the continuing resolution budget of \$9.26 million, the CSB projects a maximum headcount of 42.