

U.S. CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD



BUDGET JUSTIFICATION

Fiscal Year 2001

GENERAL STATEMENT

Overview of the Board's Role in Protecting Workers, Communities and the Environment

The U.S. Chemical Safety and Hazard Investigation Board (the Board or the CSB) was created by the Clean Air Act Amendments of 1990. However, the Board was not funded, and did not begin operations, until January 1998. As the legislative history states: "The principle role of the new chemical safety board is to investigate accidents to determine the conditions and circumstances which led up to the event and to identify the cause or causes so that similar events might be prevented."¹

The Board's mission is to enhance the health and safety of the public, workers and the environment by uncovering the underlying causes of accidental chemical releases and using these findings and supporting research to promote preventive actions by both the private and public sectors. The mission is accomplished by:

- State-of-the art investigations of carefully selected major incidents involving the accidental release of hazardous chemicals;
- High quality, easy-to-read, and timely investigation reports that identify the root and contributing causes of these incidents;
- Hazard, safety and data studies designed to complement CSB investigation report and recommendation activities;
- Well-reasoned and precisely targeted recommendations; and
- Effective advocacy activity for these recommendations.

The Board also: (1) provides technical information and assistance to business and industry on causes of and ways to prevent chemical incidents; (2) provides the Congress and executive agencies with independent, expert fact finding and technical advice to assist in developing, implementing, and evaluating chemical safety policy and government-wide resource allocation decisions; and (3) responds to requests for information from the Congress and executive agencies on various matters affecting chemical safety. To carry out these responsibilities, and improve the current state of chemical safety, the Board must maintain a high degree of expertise and readiness in its workforce, and have ready access to the best technical expertise available.

¹ Senate Rept. No. 101-228 (Page 3615).

The Board's Fiscal Year 2000 Operations

Governance –

The Board's enabling legislation authorizes five Board Members appointed by the President, by and with the advice and consent of the Senate. One of the Board Members also serves as a Chairperson and Chief Executive Officer. For the first eleven months of operations, the Board only had two Members -- a Chairperson and one other Board Member. During this first year, the Chairperson exercised control over all aspects of the Board's operations. At the beginning of the second year, two additional Board Members joined the Board.² However, all substantive Board decisions (except for voting on investigation reports) were still made by the Chairperson.

More major investigations and incident review cases were undertaken than could be managed or brought to a timely conclusion. For example, in fiscal year (FY) 1998 five major investigations were authorized, but to date investigation reports have been issued for only three of these investigations. In addition, very substantial Board resources were devoted to activities that did not directly support the conduct and completion of investigations.

Several Board Members questioned this allocation of decision-making power, and the General Counsel was asked to render an opinion about the proper roles and responsibilities of the Board Members. In August 1999, the General Counsel issued a comprehensive memorandum explaining that, legally, the Board as a whole was to make most substantive decisions, while the Chairperson was responsible for day-to-day management and work assignments and implementing Board policy. In October 1999, three of the Board Members accepted the General Counsel's opinion, but the Chairperson requested further legal clarification before implementing the opinion. A conflict with the other Board Members ensued on this issue. Ultimately, the Chairperson resigned his position, and the full Board has requested that the Department of Justice review the General Counsel's opinion. The full Board awaits that opinion. In the meantime, the full Board voted in January 2000, to allocate governing responsibilities among the four Board Members until a new Chairperson is appointed by the President, by and with the advice and consent of the Senate. Thus, all substantive decisions are now made by the full Board rather than by one Chairperson.

Emphasis on Investigations and Safety -

The newly constituted Board reallocated FY 2000 resources to emphasize investigations and safety, in a manner consistent with Congressional direction.³ In FY 2000 the Office of Investigations and Safety Programs will receive 48 percent of the Board's

² The Clean Air Act provides for a Board of five Members, one of whom is the Chairperson. At this time only four of the five Board Members are appointed. A fifth Board Member is needed to assist in the development of the Board.

³ House Conf. Rept. No. 106-379, (Pages 124 and 125)

appropriation,⁴ and 43 percent of the end-of-year positions, a significant increase from 25 percent of the FY 1999 appropriation and 33 percent of the end-of-year positions. With the increased resources and emphasis, the Board has developed an investigative protocol and incident selection criteria, which the Congress directed it to do. In FY 2000, the Board is addressing the backlog of investigation cases, completing its investigation training plan, developing and implementing a strategic hiring plan. In addition, the Board plans to initiate one safety study to complement investigation activities.

Personnel -

Beginning in FY 1998, key personnel were hired without the benefit of a strategic plan to guide the addition of staff. As a result of hiring efforts, the size of the Board's staff has increased from 4 to 27, since the beginning of operations in January 1998. However, four problematic issues have emerged as new staff members have been added.

1. The Board staff includes only a few employees who possess the expertise necessary for achieving the Board's primary function of incident investigations. It will require major adjustments to refocus and target staff energies on the core mission of investigations.
2. The business plan assumed that the Board would be able to rely heavily on expertise that exists in the federal government and private contractors to conduct investigations, rather than hire a large in-house investigation staff. However, the Board did not have the staff or adequate procedures⁵ to monitor the contractors to ensure that their activities were consistent with the Board's unique role and mission. As a result, the approach of using federal and private contractors in lieu of staff investigators was ineffective and has severely limited the Board's ability to complete the backlog of Board investigations.
3. One of the Board's most difficult challenges is to recruit staff who bring with them the unique chemical safety skills and work experiences needed to carry out the mission of the Board. The small talent pool available for the Board's recruitment needs is primarily found in the oil and chemical-process industries. These potential recruits are highly paid and they are typically living in areas located far from Washington, DC. The Board, therefore, must now devote extensive time and resources to recruit in order to hire and retain staff with chemical-process safety expertise.

It takes six months or longer to identify potential candidates, convince them to accept a job with the federal government, and to have them relocate to the Washington, DC area. Even highly qualified recruits typically require additional extensive training in conducting the Board's root cause investigations. These investigations have a much broader scope and go into far more

⁴ The calculations for percent of FY 1999 and FY 2000 appropriation exclude rent and other administrative costs.

⁵ In FY 2000, the Board adopted written procedures that address the procurement of services and now has a policy to only use contractors for specific tasks under close monitoring. These actions should ensure the efficient and effective use of contractors.

depth than those normally conducted in the private sector or by other government agencies. In order to meet the training needs of the staff, the Board will establish an extensive training program in FY 2000.

4. In an effort to quickly demonstrate to our stakeholders and Congress that the Board was implementing its Congressional mandate, too many investigations, incident reviews, and studies were initiated. Under such circumstances and pressures, serious errors were made. In some cases, inappropriate personnel were hired. In others, the stress of 60-hour workweeks proved too much, or disputes and concerns about management and governance issues caused personnel to resign and leave significant gaps in this small agency. In its first two years the Board has lost the following personnel:

- ◆ Chairperson
- ◆ Chief Operating Officer
- ◆ Director of Investigations
- ◆ Lead Investigator
- ◆ Special Assistant for Research
- ◆ Manager of Congressional Affairs
- ◆ Manager of Media Affairs

To correct these problems the Board will focus on personnel management issues in FY 2000. Specifically, the Board will concentrate on the retention and retraining of current staff, and on hiring and training the best technical professional staff. By the end of FY 2000, the Board anticipates having 40 employees. These efforts will enable the Board to complete its investigation reports and other products in a more timely manner.

The Board's FY 2001 Budget Request

Overall –

The Board's budget request for FY 2001 is \$9,000,000.⁶ This represents a 12.9 percent increase over its FY 2000 appropriation of \$7,969,600. This amount represents the funding necessary for the Board to maintain a stable operating program and perform a modest number of incident investigations. It will also allow the Board to evaluate and revise its incident selection criteria, investigation protocol, and procedures for tracking recommendations. In addition, the Board will be able to initiate one safety study to complement its investigation and related activities. Finally, the increase will permit the Board to conduct monthly public meetings and hire two additional staff members in its Office of Investigations and Safety Programs.

Key Components –

The key components of the Board's total budget are 46 percent for personnel (salary and benefits), 6 percent for rent, and 32 percent for support contracts. In its deliberate effort to limit the growth of its budget and to use the majority of its funds in support of investigation and related activities, the Board outsourced most of its administrative activities. This results in streamlined internal business processes and allows the maximum number of positions to be allocated to investigation and safety program staff. Whenever possible, the Board buys, through support contracts, specific technical expertise (e.g., performance of laboratory tests on evidence from an incident scene) in lieu of building that particular capability, thus conserving resources.

Constraints –

- Full Operational Capacity. The Board began operations in FY 1998 and anticipated a three-year start up period. However, limited resources were available for establishing the infrastructure. As a result, the Board may not have full operational capacity until FY 2001 or FY 2002. Board staff will have to promulgate proposed final regulations, finalize interagency coordination memoranda of understanding (MOU) with other government agencies, evaluate and finalize internal operating procedures, and conduct strategic planning for future program emphasis and resource requirements.
- Personnel. Although the Board will focus on personnel management efforts in FY 2000, the Board may not be able to hire and train all the investigation and safety program staff as planned for FY 2000. Some of the hiring and training activities may continue into FY 2001, and may affect the expected workload in the investigation and related activities function.

⁶ As authorized in its enabling statute, the Board, as an independent agency, is authorized to submit its own budget request directly to the Congress, simultaneously transmitting a copy to the Executive Branch.

FY 2001 BUDGET APPROPRIATION LANGUAGE

CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD
Federal Funds

General and Special Funds

SALARIES AND EXPENSES

For necessary expenses of the Chemical Safety and Hazard Investigation Board in carrying out activities pursuant to section 112(r)(6) of the Clean Air Act, 42 U.S.C. § 7412, including hire of passenger vehicles and for services as 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, and for uniforms, or allowances therefor, as authorized by law (5 U.S.C. § 5901 - 5902), \$9,000,000 to be available until expended.⁷

⁷ For FY 2001, and subsequent years, the Board desires Congressional approval for its appropriations to be available until expended. Because of the nature of chemical incident occurrence, it is not possible to accurately forecast budget requirements for incident investigation from year to year. With the approval of Congress, making funds available until expended will permit the Board to carryover unused funds in years when large numbers of significant investigations are not conducted so that they may be used in other years when additional funding is required. This is consistent with budget authorities of other agencies, such as the National Transportation Safety Board and the Federal Emergency Management Agency, where predictions of future activities are difficult to make.

MAJOR ACCOMPLISHMENTS BY FUNCTION¹

| Function | Projected for FY 2000 | Planned for FY 2001 |
|--|--|--|
| 1 - Incident Investigation and Related Activities | <ul style="list-style-type: none"> • Initiate Incident Investigations (2) • Issue Final Investigation Reports (3) • Issue Incident Report Bulletins (one for each completed investigation report) • Establish Procedures for Follow-up on Recommendations • Complete Investigative Protocol • Complete Incident Selection Procedure • Complete Study on Incident Selection • Complete Investigation Training Plan • Develop and Implement Strategic Hiring Plan | <ul style="list-style-type: none"> • Initiate Incident Investigations (4) • Issue Final Investigation Reports (2) • Issue Incident Report Bulletins (one for each completed investigation report) • Implement and Evaluate Procedures for Follow-up on Recommendations • Field Evaluate Investigative Protocol • Validate and Revise Incident Selection Procedure • Evaluate Strategic Hiring Plan • On-going Training |
| 2 - Special Safety Studies and Technical Guidance | <ul style="list-style-type: none"> • Initiate Safety Study • Complete 10-Year Incident Database Report | <ul style="list-style-type: none"> • Complete FY 2000 Safety Study • Initiate Safety Study |
| 3 - Technical Information and Assistance | <ul style="list-style-type: none"> • Beta-test Near Real-Time Chemical Incident Reports Center • Establish Technical Library • Develop and Deliver Technical Information and Educational Material | <ul style="list-style-type: none"> • Evaluate and Refine Near Real-Time Chemical Incident Reports Center • Develop Automated Process for Receiving and Analyzing NRC Incident Reports • Develop and Deliver Technical Information and Educational Material |
| 4 - Recurring Reports and Services | <ul style="list-style-type: none"> • Issue FY 1998 and FY 1999 Annual Reports • Issue FY 1999 Financial Statements | <ul style="list-style-type: none"> • Issue FY 2000 Annual Report • Issue FY 2000 Financial Statements |
| 5 - Executive Direction | <ul style="list-style-type: none"> • Develop FY2001-2006 Strategic Plan • Develop FY2001 Performance Plan • Draft Interagency Coordination MOUs with Key Government Agencies • Prepare Administrative and Programmatic Directives and Proposed Regulations • Develop Strategic Plans for Program Offices • Lease New Board Office Location • Conduct Monthly Public Meetings | <ul style="list-style-type: none"> • Develop FY2002 Performance Plan • Finalize Interagency Coordination MOUs with Key Government Agencies • Promulgate Proposed Final Regulations • Complete Internal Control Study • Conduct Monthly Public Meetings |

¹ These represent major planned accomplishments, not the full range of work regularly occurring within the various program offices.

CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD
REVISED FISCAL YEAR EXPENSES
(in thousands of dollars)

| Object Classification | FY 1999 Actual | FY 2000 Available Funding | FY 2001 Estimate |
|--|-------------------|------------------------------|---------------------|
| Personnel compensation & benefits | \$ 2,375 | \$ 3,435 | \$ 4,156 |
| Travel and transportation of persons | 132 | 459 | 545 |
| Transportation of things | - | 7 | 5 |
| Space rental | 356 | 746 | 549 |
| Communications, utilities, and miscellaneous charges | 217 | 235 | 173 |
| Printing and reproduction | 47 | 117 | 95 |
| Other services ¹ | 3,030 | 2,385 | 2,921 |
| Supplies and materials | 151 | 289 | 271 |
| Equipment | 192 | 297 | 285 |
| Land and structures | - | - | - |
| Total Obligations | \$ 6,500 | \$ 7,970 | \$ 9,000 |

¹ Includes training

ANALYSIS OF CHANGE
(in thousands of dollars)

FY 2000 Appropriation \$ **7,970**

Summary of Adjustments to Base and Built-In Changes:

Personnel Cost Increases¹

| | |
|---|------------|
| Additional funds for the new FY 2001 FTE positions..... | 139 |
| Annualization of new FY 2000 positions and January 2000 pay increase..... | 437 |
| Estimated cost of January 2001 pay increase ² | 145 |
| Total Increase to Personnel Costs | 721 |

Nonpersonnel Cost Increases

| | |
|--|------------|
| Space Rental..... | (197) |
| Travel and transportation of persons..... | 86 |
| Transportation of things..... | (2) |
| Communications, utilities, and miscellaneous charges..... | (62) |
| Printing and reproduction | (22) |
| Other services: consulting \$430; information systems contractual services \$123; administrative systems contractual services: human resources, budget and finance, contracting and procurement (\$26); training \$5; legal services \$4 | 536 |
| Supplies and materials | (18) |
| Equipment: computer equipment \$7; information systems software \$6; investigation equipment (\$18), communication equipment (\$7) | (12) |
| Land and structures..... | 0 |
| Total Increase to Non-personnel Costs | 309 |

Total Adjustments to Base \$ **1,030**

FY 2001 Appropriation Request \$ **9,000**

¹ Benefits are calculated at 22 percent of base pay.

² FY 2001 pay raise estimated at 5 percent of base pay.

EXPLANATION OF ANALYSIS OF CHANGE

(Significant Adjustments)

Personnel Costs: Staffing levels will increase from 40 to 42 full-time positions to achieve the planned accomplishments for FY 2001. An increase of \$139,000 will be required to pay the compensation for the new employees. Additional funding of \$437,000 is required to annualize the compensation for employees hired in FY 2000, and to pay costs of the January 2000 pay increase. Finally, we estimate an increase of \$145,000 will be needed to fund January 2001 pay increase.

Space Rental: Space rental costs will decrease by \$197,000 in FY 2001. In FY 2000, the Board budgeted for additional space to accommodate new hires who cannot fit into the current office space and for “swing space” while the Board relocates its office space. This relocation is necessary because the Board’s current lease expires September 30, 2000.

Travel and Transportation of Persons: Most of the \$86,000 increase is for travel associated with investigations and related activities. The increase reflects the additional investigations planned for FY 2001, additional trips to incident sites for follow-up work, on-the-job training for CSB trainee investigators, and travel for formal training courses.

Communications, Utilities, and Miscellaneous Charges The decrease of \$62,000 is mostly attributable to the Board buying furniture in FY 2000 after moving to new office space. Furniture rental costs for FY 2000 are estimated at \$70,000, and this cost will not be incurred in FY 2001.

Printing and Reproduction: The estimated costs are higher in FY 2000 because the Board plans to issue investigation reports, two annual reports, and a 10-year incident database report. In FY 2001, the Board expects to issue fewer documents and make greater use of distribution through the internet, resulting in a net reduction of \$22,000.

Other Services: The Board plans on a significant increase in incident investigation and related activities in FY 2001. This includes an increase of \$430,000 for consultants to support investigative capabilities, training and guidance, laboratory analyses on materials and review of technical literature. The Board’s information systems contractual services are estimated to increase by \$123,000. This reflects a full year’s funding for the agency’s technology infrastructure support. The Board is anticipating a decrease in administrative services (e.g., financial, personnel, procurement etc) of \$26,000, due to the consolidation of these services under one vendor for FY 2001. Training for CSB staff is increased by \$5,000 and legal services are increased by \$4,000. This results in a net increase of \$536,000 for FY 2001.

Supplies and Materials: Office supplies are budgeted to increase by \$6,000. However, in FY 2000 the investigative supplies and material estimate includes a build-up of supplies such as the Investigation “go-kits” of which \$24,000 is not needed in FY 2001. This results in a net decrease of \$18,000 for Supplies and Materials in FY 2001.

Equipment: Computer equipment is budgeted to increase \$7,000, and software maintenance and upgrades to increase by \$6,000 in FY 2001. However, in FY 2000 the Board budgeted \$18,000 for equipment and \$7,000 for communications equipment to support increases in the investigation staff. Because the Board only plans to fill two positions in FY 2001, these costs will not be incurred. The result is a net reduction of \$12,000 for FY 2001.

CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD
TOTAL WORKYEAR AND COST REQUIREMENTS
(in thousands of dollars)

| Function | FY 1999 Actual | | FY 2000 Available Funding | | FY 2001 Estimate | |
|---|------------------------|----------------------|------------------------------|-----------------|---------------------|-----------------|
| | Workyears ⁴ | Dollars ⁵ | Workyears ⁴ | Dollars | Workyears | Dollars |
| Direct Costs | | | | | | |
| Personnel ¹ | 23.0 | \$ 2,097 | 29.1 | \$ 2,996 | 35.3 | \$ 3,612 |
| NonPersonnel ² | | 3,012 | | 2,623 | | 3,201 |
| Indirect Costs³ | | | | | | |
| Personnel | 3.8 | 278 | 6.2 | 439 | 6.7 | 545 |
| NonPersonnel | | 1,113 | | 1,912 | | 1,642 |
| Total Workyear and Cost Requirements | 26.8 | \$ 6,500 | 35.3 | \$ 7,970 | 42.0 | \$ 9,000 |

¹ Direct personnel costs include the salaries, which are set by law, for the five Board members.

² Direct nonpersonnel costs are directly attributable to functional areas, such as travel costs associated with the field portion of an investigation.

³ Indirect costs are costs that support the Board, but are not tied directly to a function.

⁴ Total workyears are less than the end of year employment level because we hire employees throughout the fiscal year.

⁵ FY 1999 Dollars have been restated to reflect the methodology of cost allocation used for FY 2000 and FY 2001. Specifically, all costs associated with space rental, communications, utilities, and miscellaneous charges are reflected as indirect costs.

CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD
TOTAL DIRECT COSTS¹ BY FUNCTION
(in thousands of dollars)

| Function | FY 1999 ² Actual | | FY 2000 Available Funding | | FY 2001 Estimate | |
|--|--------------------------------|-----------------|------------------------------|-----------------|---------------------|-----------------|
| | Workyears | Dollars | Workyears | Dollars | Workyears | Dollars |
| 1 - Incident Investigation and Related Activities | 10.7 | \$ 2,446 | 14.9 | \$ 3,369 | 19.2 | \$ 4,199 |
| 2 - Special Safety Studies and Technical Guidance | 1.0 | 284 | 2.9 | 488 | 4.1 | 670 |
| 3 - Technical Information and Assistance | 4.1 | 1,008 | 2.3 | 602 | 2.7 | 730 |
| 4 - Recurring Reports and Services | 1.5 | 334 | 0.8 | 101 | 1.0 | 122 |
| 5 - Executive Direction | 5.7 | 1,037 | 8.2 | 1,059 | 8.3 | 1,092 |
| TOTAL DIRECT COSTS | 23.0 | \$ 5,109 | 29.1 | \$ 5,619 | 35.3 | \$ 6,813 |

¹ Direct costs include personnel costs and nonpersonnel costs (e.g. investigative travel, printing, information technology, and contractual services) that can be attributed to specific functions.

² FY 1999 Dollars have been restated to reflect the methodology of cost allocation used for FY 2000 and FY 2001. Specifically, all costs associated with space rental, communications, utilities, and miscellaneous charges are reflected as indirect costs.

FUNCTION 1 – INCIDENT INVESTIGATION AND RELATED ACTIVITIES

(in thousands of dollars)

| Function | FY 1999 Actual | | FY 2000 Available Funding | | FY 2001 Estimate | |
|--|-------------------|-----------------|------------------------------|-----------------|---------------------|-----------------|
| | Workyears | Dollars | Workyears | Dollars | Workyears | Dollars |
| INCIDENT INVESTIGATION AND RELATED ACTIVITIES | 10.7 | \$ 2,446 | 14.9 | \$ 3,369 | 19.2 | \$ 4,199 |

This function encompasses activities that support investigation of chemical incidents and the development of safety recommendations. These activities include conducting field investigation, evidence analysis, and the production of reports that identify the root and contributing causes of incidents. These reports also include recommendations for the prevention of future similar incidents. The Board also conducts ongoing advocacy activity to promote the adoption of its recommendations.

Incident investigations are conducted pursuant to Section 112(r)(6)(C)(i) of the Clean Air Act Amendments of 1990. Each incident is unique and most are very complex. Extensive time and resources must be devoted to researching and analyzing all aspects of the incident. Additional research is required to develop sound recommendations for prevention.

The incidents investigated by the Board involve diverse manufacturing operations that typically use dissimilar equipment and proprietary technologies. The Board's investigations require knowledge and resources that go beyond those generally used to conduct typical public and private sector investigations. Depending upon the complexity of the incident, availability of documents, and other matters that may impede progress, a report may take 12 to 24 months to complete.

An Investigator-In-Charge is responsible for each investigation. Additional personnel from the Office of Investigations and Safety Programs are assigned based upon the complexity of the incident. The investigators are responsible for gathering and analyzing the evidence to determine the root and contributing causes. The Safety Programs staff are responsible for the development of recommendations that are feasible and precise. The Board contracts with consultants if the incident involves subjects outside the expertise of Board personnel.

Other Board personnel who support investigations are the attorneys who are involved with legal issues (e.g., company claims of confidential business information and Freedom of Information Act requests). Additional personnel establish and operate the field command center, assist the investigators by obtaining documents, and schedule witness and media interviews.

Beginning in FY 2000, for each investigation the Board will issue a full investigation report and a companion incident report bulletin, which is a short summary of the longer report. Incident report bulletins are intended for general use, especially by audiences without technical backgrounds who will benefit from learning about the safety lessons identified in the report.

Board recommendations improve chemical safety if they are accepted and implemented by the appropriate public and private sector parties. To accomplish this, the Board has an effective outreach program that identifies the appropriate parties to receive recommendations, and disseminates the information to them. Outreach efforts involve meeting with stakeholders, preparation of journal articles, and making speeches to ensure the rationale and intent of the recommendations are clear and compelling.

Due to the complexity of incident investigations and the investment of time and resources associated with each investigation, the Board plans to carefully select a modest number of incidents to investigate in FY 2001. Based on data compiled to date, the Board expects to initiate four investigations in FY 2001. In addition to these four investigations, the Board expects to issue two final investigation reports and incident report bulletins for prior year investigations, and to follow-up on recommendations from previously issued reports.

In FY 2001 the Board will also assess the effectiveness of its procedure for determining which incidents to investigate, the protocol for conducting investigations, and the procedure for following up on recommendations arising from investigations.

For this function the Board projects the use of 19.2 workyears and \$4,199,000 in direct costs in FY 2001, compared to 14.9 workyears and \$3,369,000 in FY 2000.

FUNCTION 2 – SPECIAL SAFETY STUDIES AND TECHNICAL GUIDANCE

(in thousands of dollars)

| Function | FY 1999 Actual | | FY 2000 Available Funding | | FY 2001 Estimate | |
|--|-------------------|---------------|------------------------------|---------------|---------------------|---------------|
| | Workyears | Dollars | Workyears | Dollars | Workyears | Dollars |
| SPECIAL SAFETY STUDIES AND TECHNICAL GUIDANCE | 1.0 | \$ 284 | 2.9 | \$ 488 | 4.1 | \$ 670 |

In the course of conducting investigations, the Board sometimes is alerted to the possibility of significant safety problems that are beyond the scope of any one particular investigation. As a result, the Board occasionally conducts safety studies to better understand the nature and causes of specific safety problems.

Safety studies complement investigations and offer an alternative, proactive means for promoting safety and preventing incidents. A safety study may have multiple goals, including development of recommendations, preparation of guidance materials for industry use, or compilation of resources for subsequent consultation by Board staff during an investigation where the problem has been noted. In FY 2000, the Board initiated one safety study, which is expected to be completed in FY 2001. In FY 2001, the board expects to initiate one new safety study.

This function also encompasses the development of technical products and services for stakeholders to assist them in improving chemical safety, and discrete activities to support development of such products and services or to support specific internal technical program operations within the Board. Work performed under this function may involve general information resource management activities having multi-office applicability, including data source identification, data acquisition, data management and analysis. Work also may be performed that relates to particular projects, such as gathering background data to aid in preparation of investigation reports, development of specific Board recommendations, or conducting specific safety studies.

For this function the Board projects the use of 4.1 workyears and \$670,000 in direct costs in FY 2001, compared to 2.9 workyears and \$488,000 in FY 2000

FUNCTION 3 – TECHNICAL INFORMATION AND ASSISTANCE

(in thousands of dollars)

| Function | FY 1999 Actual | | FY 2000 Available Funding | | FY 2001 Estimate | |
|---|-------------------|-----------------|------------------------------|---------------|---------------------|---------------|
| | Workyears | Dollars | Workyears | Dollars | Workyears | Dollars |
| TECHNICAL INFORMATION AND ASSISTANCE | 4.1 | \$ 1,008 | 2.3 | \$ 602 | 2.7 | \$ 730 |

This function encompasses compilation, analysis and dissemination of information for internal use by Board staff, as well as for a variety of external audiences to keep them informed about both the routine and non-routine activities of the Board.

One major activity under this function is the Board's incident operations center that receives and analyzes incident information, monitors the progress of incidents in their early stages while the Board is determining its appropriate response, and notifies interested parties of unfolding events. The Board currently relies on the National Response Center (NRC) for initial screening and official notification of incidents, but the Board also uses an electronic, real-time media monitoring service to monitor incidents. In addition, the Board regularly receives incident notification from groups such as the media, labor, and state and federal agencies.

A second major activity under this function is the delivery of technical information and educational material to members of the Legislative and Executive branches, technical audiences (e.g., industry, labor, state agencies), and the general public. The means of dissemination may be electronic, print, or direct in the form of presentations and meetings involving Board personnel. It also includes information delivered via the Board's website, which is the source of the Board's Chemical Incident Reports Center (CIRC) that became operational in FY 2000. The CIRC provides near real-time details, distilled from information received from a number of external sources (e.g., media reports), on select incidents that have come to the Board's attention

In FY 2001 the Board plans to automate the receiving process of NRC incident reports, enabling the Board to use this information to support the selection of incidents for investigation, and to track the incidents the Board cannot investigate. The Board will also assess the use and perceived value of the CIRC, and implement modifications as needed. In addition, the Board will design and implement communication strategies to ensure appropriate awareness of investigation reports and their recommendations.

For this function the Board projects the use of 2.7 workyears and \$730,000 in direct costs in FY 2001, compared to 2.3 workyears and \$602,000 in FY 2000.

FUNCTION 4 – RECURRING REPORTS AND SERVICES

(in thousands of dollars)

| Function | FY 1999 Actual | | FY 2000 Available Funding | | FY 2001 Estimate | |
|---------------------------------------|-------------------|---------------|------------------------------|---------------|---------------------|---------------|
| | Workyears | Dollars | Workyears | Dollars | Workyears | Dollars |
| RECURRING REPORTS AND SERVICES | 1.5 | \$ 334 | 0.8 | \$ 101 | 1.0 | \$ 122 |

This function encompasses staff time charged to preparing administrative reports submitted to the Congress, such as the Board's Annual Report, budget materials, performance plan and performance report, and the Board's annual financial statements.

For this function the Board projects the use of 1.0 workyears and \$122,000 in direct costs in FY 2001, compared to 0.8 workyears and \$101,000 in FY 2000.

FUNCTION 5 – EXECUTIVE DIRECTION
(in thousands of dollars)

| Function | FY 1999 Actual | | FY 2000 Available Funding | | FY 2001 Estimate | |
|----------------------------|-------------------|----------|------------------------------|----------|---------------------|----------|
| | Workyears | Dollars | Workyears | Dollars | Workyears | Dollars |
| EXECUTIVE DIRECTION | 5.7 | \$ 1,037 | 8.2 | \$ 1,059 | 8.3 | \$ 1,092 |

This function encompasses general management activities (e.g., planning and evaluating Board-wide operations) performed by the Board’s Chief Executive Officer, the Chief Operating Officer, the Executive Officer (responsible for execution of administrative functions), the Board Members, and those individuals responsible for directing the work of the Board’s program offices. The planning may be strategic in nature, or may focus on discrete matters raised in the course of special operational improvement studies (e.g., internal control study). Work performed under this function also includes that done by other staff which benefits the entire Board, such as providing legal guidance on ethics matters and compliance with applicable laws (e.g., Privacy Act, Freedom of Information Act), establishment of formalized interagency relationships to facilitate mission accomplishment, and liaison with the Office of Management and Budget for fiscal and strategic planning/performance reporting matters and with the General Accounting Office for programmatic audit matters.

In FY 2000, Board Members assumed a management direct role. Board Members now review and approve major documents setting forth operational strategies, resource requirements and achievements of the Board. Board Members also now conduct monthly public meetings pursuant to The Government in the Sunshine Act. The Board Members will continue to have a direct role in Board management and hold monthly public meetings in FY 2001.

In FY 2001 the Board will finalize interagency memoranda of understanding drafted in FY 2000, thereby further formalizing how it does business and how it may obtain assistance from other federal organizations. In addition to establishing clear procedures for dealing with other agencies, the Board also will notify the public as to how it will conduct its business with them. This will occur through the issuance of proposed regulations addressing a variety of rules that impact the Board's stakeholders, including how and when it will release information, and how it will conduct its public meetings. In FY 2001 the Board will assess itself to determine if it has an adequate internal control structure.

For this function the Board projects the use of 8.3 workyears and \$1,092,000 in direct costs in FY 2001, compared to 8.2 workyears and \$1,059,000 in FY 2000.

INDIRECT COSTS¹
(in thousands of dollars)

| Categories | FY 1999 Actual | | FY 2000 Available Funding | | FY 2001 Estimate | |
|---|-------------------|----------------------|------------------------------|-----------------|---------------------|-----------------|
| | Workyears | Dollars ² | Workyears | Dollars | Workyears | Dollars |
| 1 - Personnel Costs | 3.8 | \$ 278 | 6.2 | \$ 439 | 6.7 | \$ 545 |
| A. Board Member Support | | | | | | |
| B. Information Technology Infrastructure | | | | | | |
| C. General Support to Staff | | | | | | |
| D. Other Administrative Operations | | | | | | |
| 2 - Nonpersonnel Costs | | \$ 1,113 | | \$ 1,912 | | \$ 1,642 |
| A. Travel | | 18 | | 20 | | 21 |
| B. Transportation of Things | | - | | 5 | | - |
| C. Space Rental | | 356 | | 733 | | 523 |
| D. Communications, Utilities, and Miscellaneous Charges | | 208 | | 233 | | 171 |
| E. Printing and Reproduction | | 6 | | 1 | | 1 |
| F. Other Services | | 324 | | 591 | | 589 |
| G. Supplies and Materials | | 80 | | 61 | | 64 |
| H. Equipment | | 121 | | 268 | | 273 |
| I. Land and Structures | | - | | - | | - |
| TOTALS | 3.8 | \$ 1,391 | 6.2 | \$ 2,351 | 6.7 | \$ 2,187 |

¹ Indirect costs are costs that support the Board, but are not tied directly to a function.

² FY 1999 Dollars have been restated to reflect the methodology of cost allocation used for FY 2000 and FY 2001. Specifically, all costs associated with space rental, communications, utilities, and miscellaneous charges are reflected as indirect costs.

This function encompasses all administrative operations (e.g., human resources, finance and budget, clerical services), whether performed by Board staff or under their direction by vendors. In addition to the work of employees assigned full-time to administrative operations, other employees may charge staff time to this function for work involving Board-wide administrative matters, such as participating in regularly scheduled briefings for Board Members, and monthly public meetings. Finally, this

category includes all activities pertaining to installation and maintenance of the Board's information technology infrastructure, and a special assistant for the Board members, who addresses the collective needs of the Board Members.

For this category the Board projects the use of 6.7 workyears and \$2,187,000 in FY 2001, compared to 6.2 workyears and \$2,351,000 in FY 2000.