



United States
General Accounting Office
Washington, D.C. 20548

Resources, Community, and
Economic Development Division

B-270956

February 28, 1996

The Honorable John T. Myers
Chairman, Subcommittee on Energy
and Water Development
Committee on Appropriations
House of Representatives

Dear Mr. Chairman:

The Department of Energy (DOE), like many federal agencies, faces an uncertain future. In DOE's case, budgetary constraints, a national consensus for a smaller and more effective government, and the end of the Cold War all feed this uncertainty. These pressures have resulted in efforts by the administration and the Congress to realign, shrink, or even dismantle DOE. At the request of your office, we analyzed DOE's fiscal year 1994 financial and workforce data to provide a baseline against which changes to the agency can be measured. Enclosure I arrays financial and workforce data by DOE's major programs. Detailed supporting and location-specific data will be provided to your office separately.

We used data from DOE's central financial and workforce databases. We reported actual expenditures (rather than obligations) because these cost data provide the clearest picture of the level of program activity. We reported workforce data as "full-time equivalents" (FTE)--the number of hours worked divided by the number of compensable hours in a fiscal year--because it provides the clearest picture of the resources used.

To test the reliability of DOE's central databases, we compared them to data from several field locations--the Savannah River and Oakland Operations Offices, the Savannah River Site, Lawrence Livermore National Laboratory, and Stanford Linear Accelerator Center. The data were generally consistent. However, we did not trace these data to supporting documents and individual transactions. We performed our review from

GAO/RCED-96-69R, Energy's Financial Resources and Workforce

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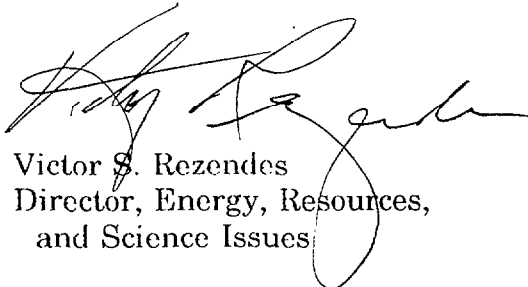
June 1995 through February 1996 in accordance with generally accepted government auditing standards.

AGENCY COMMENTS

We transmitted a draft of this report to the Secretary of Energy for review and comment. In response, the Manager, Customer Outreach and Consultation Group, Office of the Assistant Secretary for Human Resources and Administration, and the Chief, Internal Reporting Branch, Office of the Chief Financial Officer, concurred with the data contained in this report. In addition, they provided technical clarifications that have been incorporated.

We will make copies of this report available to others on request. If you have any questions or need additional information, please call me at (202) 512-3841. Enclosure II lists major contributors to this report.

Sincerely yours,



Victor S. Rezendes
Director, Energy, Resources,
and Science Issues

Enclosures - 2

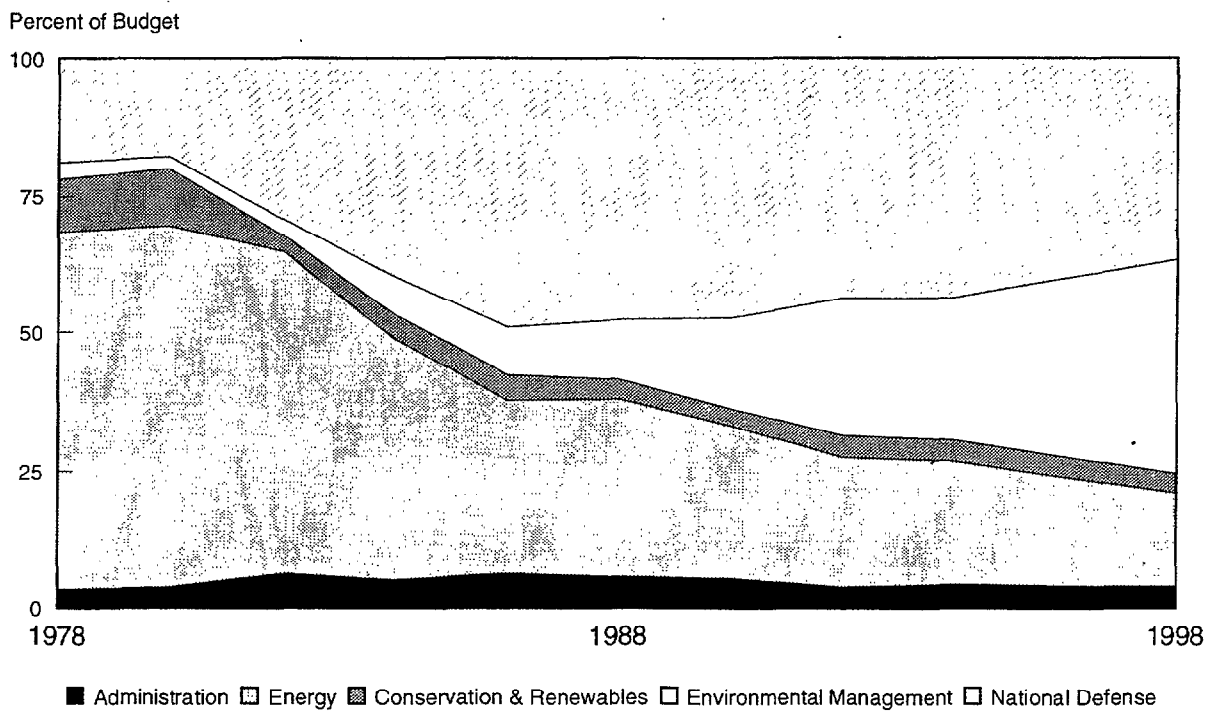
GAO Resources, Community, and Economic
Development Division

**DOE's Programs and Facilities:
Financial Resources and Workforce**

GAO Objectives

- Provide a baseline against which change can be measured
 - Facilitate informed debate about the future size and configuration of DOE
-

GAO DOE's Changing Mission Priorities 1978 - 1998



GAO Findings of GAO's 1995 General
Management Review of DOE

- Now is the ideal time to reevaluate DOE and its missions.
 - Missions and priorities have dramatically changed.
 - Reforms under way assume existing missions are still valid and best implemented by DOE.
 - A framework is needed to reevaluate DOE and its missions.
-

GAO DOE's Existence and Missions
Questioned

- "House Republicans Issue Plan to Eliminate Energy Department"
Washington Post
 - "DOE Begins Work on Reorganization Plan" *Inside Energy*
 - "Bombmakers' skills no longer needed"
Chicago Tribune
 - "Do We Need a Department of Science?"
Issues in Science and Technology
-

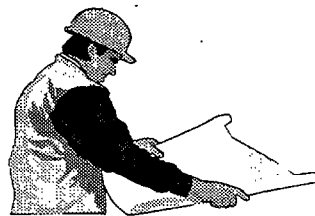
**GAO DOE's Programs and Facilities: Where Were
the Dollars and the People in Fiscal Year 1994?**



\$20 Billion Dollars



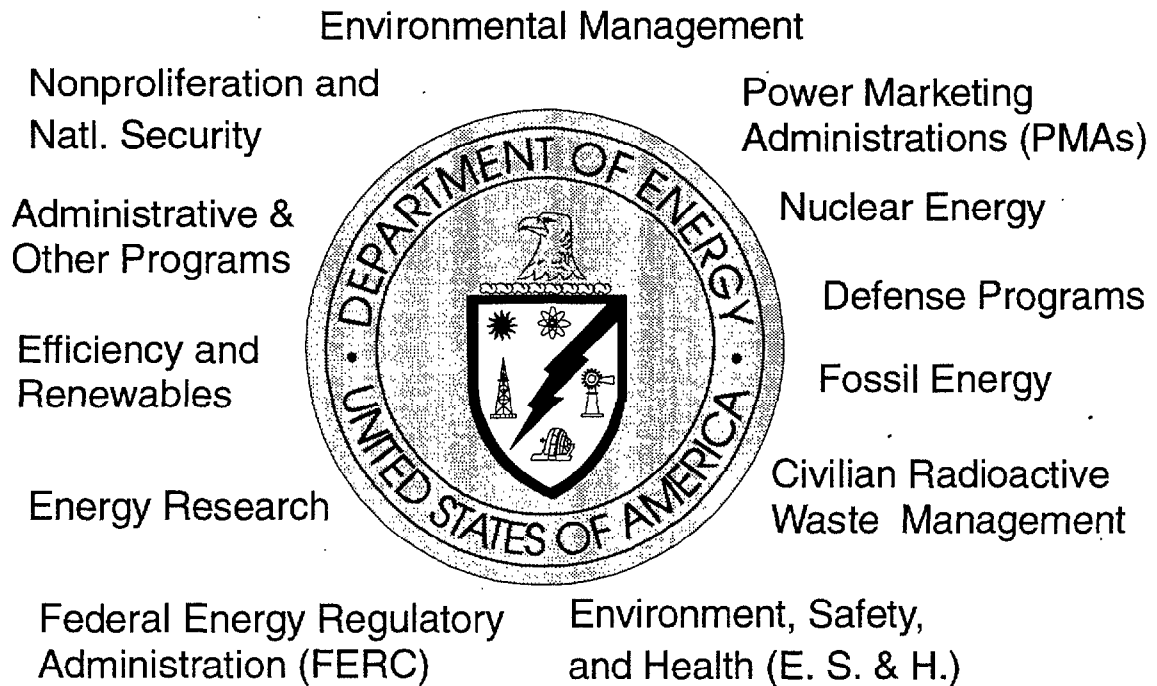
**20,000 Federal
Employees**



**Over 130,000 Contractor
Employees**

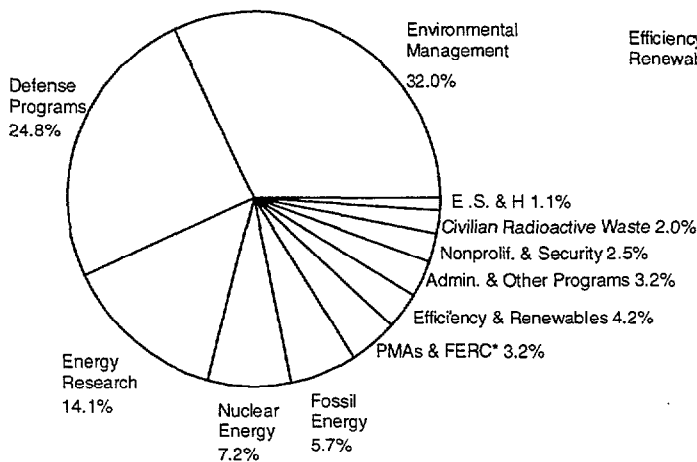
FY 1994

GAO DOE's Major Programs

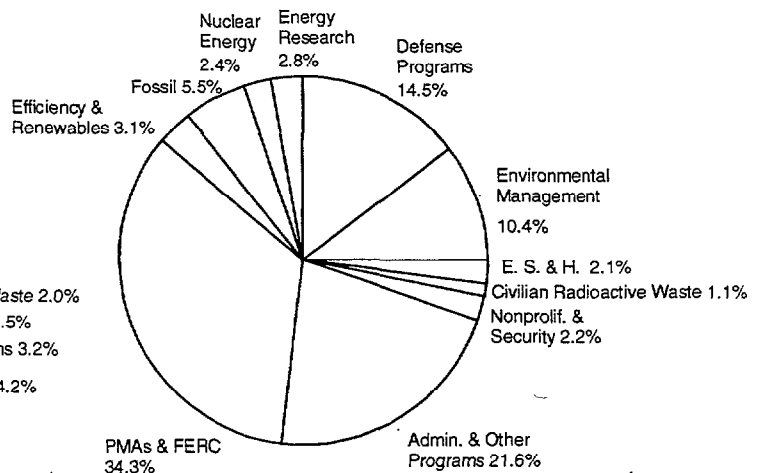


GAO FY 1994 Costs and Federal Workforce Concentrated in Several Programs

Costs



Workforce (FTE)

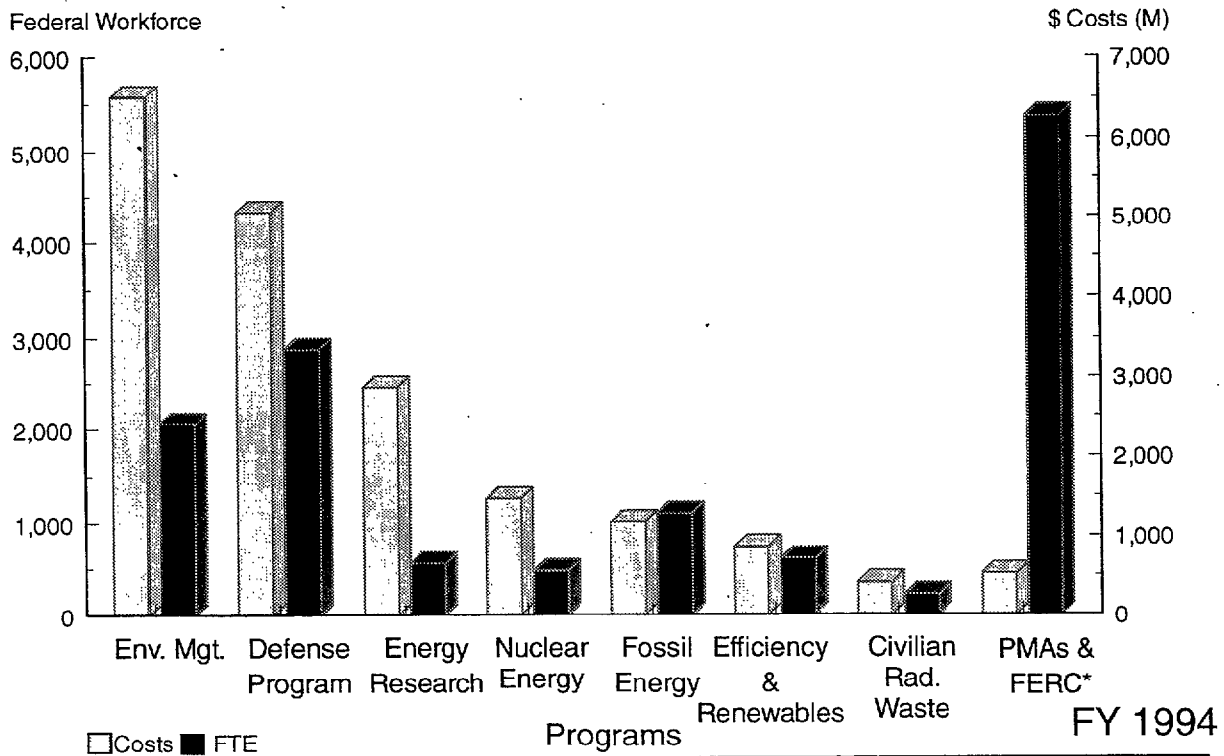


*The actual costs of operating the five PMA's are greater than shown here. For the purposes of finance, the Bonneville Power Administration operates as a government corporation with a revolving fund that is separate from DOE's financial system. Furthermore, some costs of operating and maintaining PMA facilities are financed through the appropriations of other agencies (e.g., the Army Corps of Engineers and the Bureau of Reclamation) and are recovered by the PMA through power revenues.

GAO FERC & PMAs Dominate Federal
Workforce Picture

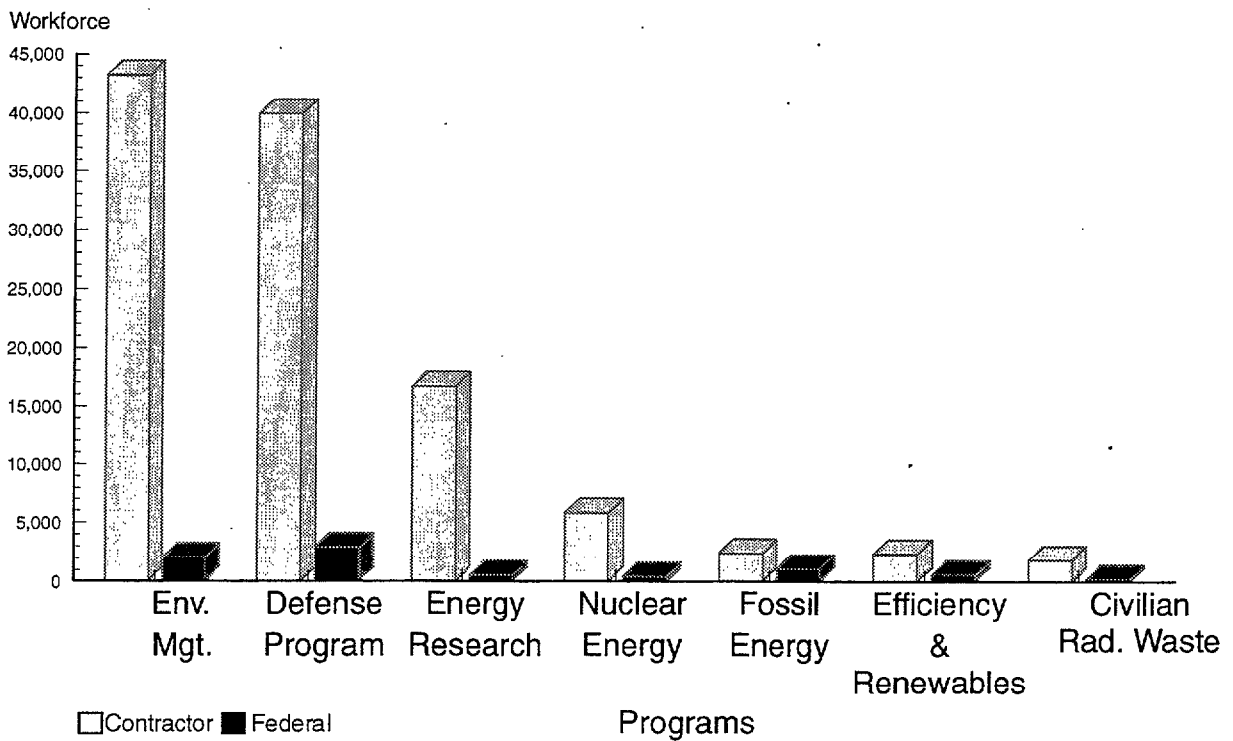
- PMAs and FERC account for over one-third of the federal workforce of the Department.
 - The 5 PMAs accounted for 5,373 FTEs in FY 94, or 27 percent of DOE's total.
 - FERC accounted for an additional 1,436 FTEs, or 7 percent of DOE's total.
-

GAO After PMAs & FERC, Defense and Environment Have Largest Workforces

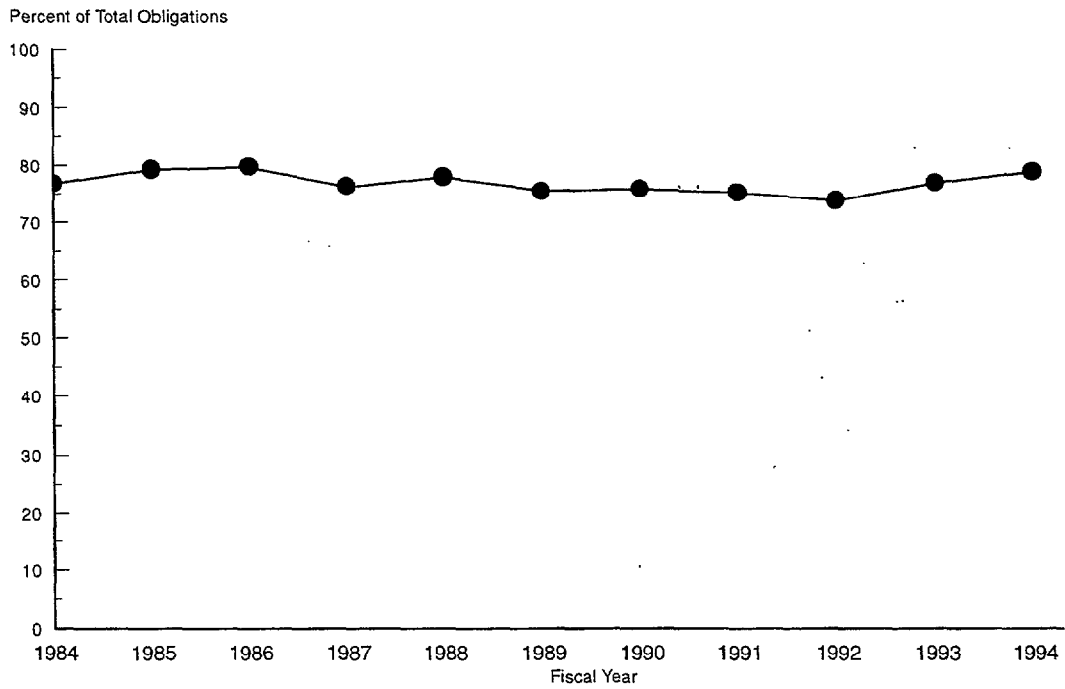


*The actual costs of operating the five PMAs are greater than shown here. For the purposes of finance, the Bonneville Power Administration operates as a government corporation with a revolving fund that is separate from DOE's financial system. Furthermore, some costs of operating and maintaining PMA facilities are financed through the appropriations of other agencies (e.g., the Army Corps of Engineers and the Bureau of Reclamation) and are recovered by the PMA through power revenues.

GAO Contractor Workforce of DOE's Major Programs Dwarfs Federal Workforce

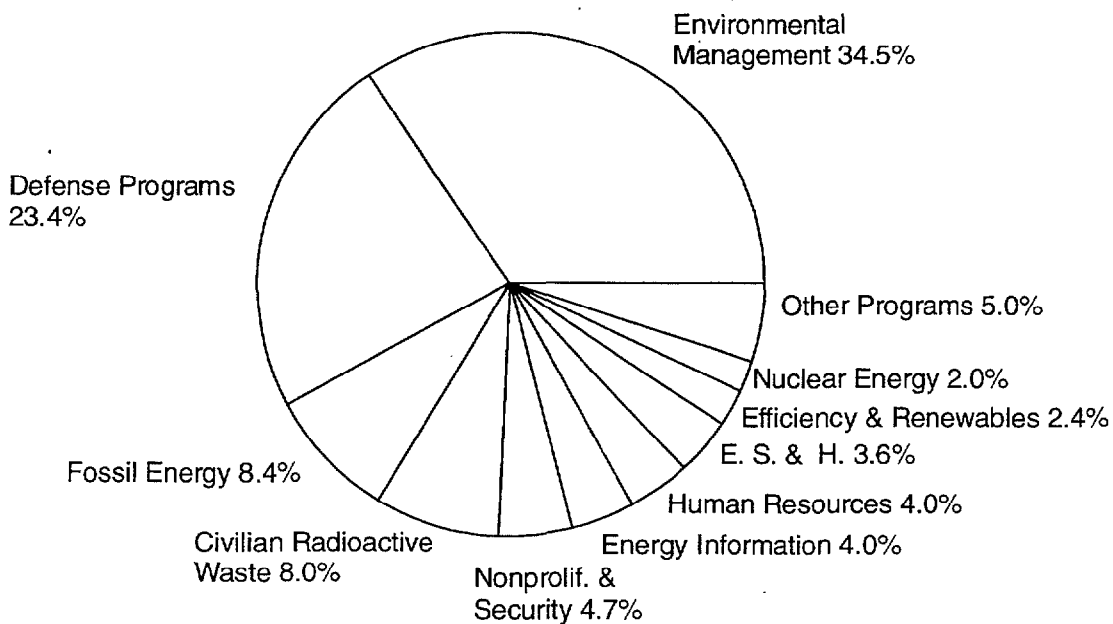


GAO Most of DOE's Obligations Are for Contractual Services



GAO Defense and Environment: Largest Users of Support Service Contracts

Percent of Total Costs



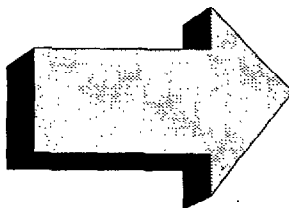
FY 1994

GAO Major Functional Changes in FY 1995

FY 1994

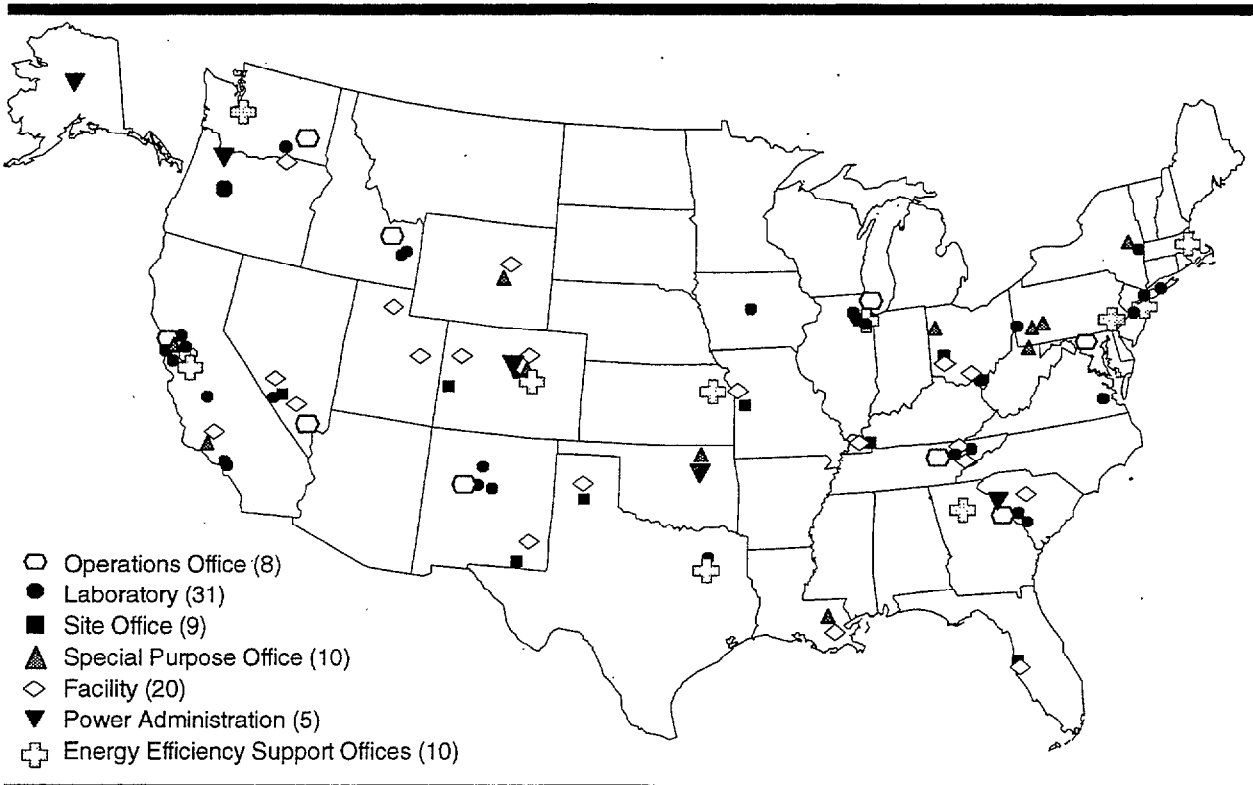
Former Defense
Production Sites

- Savannah River
- Mound
- Pinellas

**FY 1995**

Environmental
Cleanup
Sites

GAO DOE Locations



GAO Where Are the Dollars and the
People?: Observations

- Two related programs, Defense and Environment, account for over one-half of DOE's spending.
 - Between 70% and 80% of DOE's annual budget authority is obligated to contracts,
 - which is reflected in a workforce consisting of over 10 contractor employees for each federal worker (excluding PMAs and FERC).
 - FERC and the 5 PMAs account for over one-third of DOE's federal workforce.
-

GAO FY 1994 Costs and Federal Workforce
of DOE 's Major Programs

Program	FY 94 costs (000)	Workforce (FTE)
Environmental Mgt.	\$6,505,801	2,058
Defense Programs	5,048,536	2,876
Energy Research	2,864,515	560
Nuclear Energy	1,469,680	478
Fossil Energy	1,169,780	1,096
Efficiency & Renewables	860,780	612
PMA's & FERC*	656,210	6,809
Admin. & Other Prog.	646,354	4,277
Nonprolif. & Security	506,918	427
Civilian Rad. Waste	405,688	223
E. S. & H.	218,969	419

*The actual costs of operating the five PMA's are greater than shown here. For the purposes of finance, the Bonneville Power Administration operates as a government corporation with a revolving fund that is separate from DOE's financial system. Furthermore, some costs of operating and maintaining PMA facilities are financed through the appropriations of other agencies (e.g., the Army Corps of Engineers and the Bureau of Reclamation) and are recovered by the PMA through power revenues.

GAO FY 94 Costs and Federal Workforce of "Administrative" Offices

Office	FY 1994 costs (000)	Workforce (FTE)*
Cong. & Inter-Governmental Affairs	\$3,396	67
Policy	30,402	205
Chief Financial Officer	20,683	292
Econ. Impact & Diversity	7,019	58
Field Management	33,336	86
General Counsel	18,392	213
Human Resources	183,618	1,006
Public & Consumer Affairs	2,852	57
Field Office Departmental Administration**	109,967	1,156
Other Dept. Admin.	42,667	40

*The workforces for these offices are all in headquarters, with the exception of "Field Office Departmental Administration."

**This row includes all Departmental Administration costs and workforce outside of DOE headquarters. "Departmental Administration" is an appropriation account and funds all of the offices listed in this table, as well as the administrative and cross-cutting functions of DOE's Chicago, Idaho, Oak Ridge, and Oakland operations offices.

GAO FY 1994 Costs and Federal Workforce of "Other" Programs

Program	FY 1994 costs (000)	Workforce (FTE)*
Energy Information	\$83,106	462
Sci. Ed. & Technical Information	77,280	190
Hearings & Appeals	5,893	88
Inspector General	27,743	358

*These data include both headquarters and field offices.

MAJOR CONTRIBUTORS TO THIS REPORT

RESOURCES, COMMUNITY, AND ECONOMIC
DEVELOPMENT DIVISION

Jeffery E. Heil, Assistant Director
Johathan N. Kusmik
James L. Ohl
Carolyn K. McGowan
John C. Johnson
Lynne L. Goldfarb
Gene M. Barnes
Sherrill C. Dunbar
Susan S. Mak

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