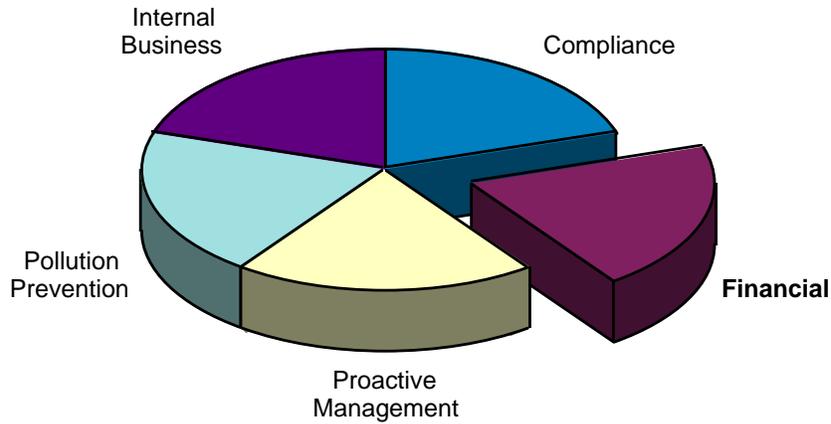


SUPSHIP COMMUNITY ENVIRONMENTAL PERFORMANCE BALANCED SCORECARD

FINANCIAL PERSPECTIVE



INTRODUCTION

The Financial Perspective of the Environmental Performance (EP) Balanced Scorecard provides the basis for determining if the environmental program is financially healthy.

PURPOSE

This environmental financial metric indicates whether the particular environmental program has the resources it needs, and if those resources are being used to their fullest potential.

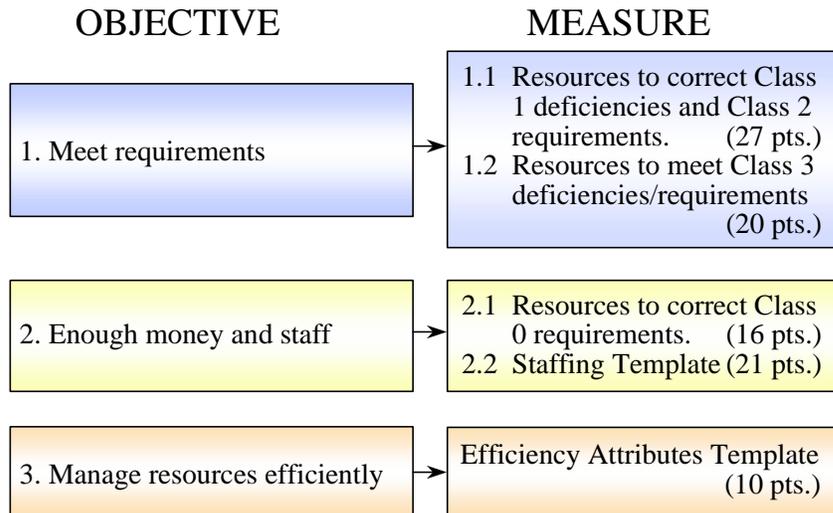
OBJECTIVES

The Financial Perspective helps develop better environmental programs by ensuring that present and future environmental requirements are met with the fewest possible resources spent in the most efficient manner.

OBJECTIVES

- | |
|--|
| 1. Provide adequate budget sources to meet environmental requirements. |
| 2. Have enough money and staff to manage the environmental program. |
| 3. Manage environmental resources efficiently. |

Each objective has been translated into specific measures that will clearly delineate how effectively resources are utilized in environmental programs.



Proper monitoring and management of these measures will result in improved environmental programs. As can be seen, having adequate resources counts for half of the Financial Perspective score.

Note: For the purposes of this Perspective the deficiency/requirement classes are as listed below:

Class 0 Includes activities needed to cover the recurring administrative, personnel and other costs associated with managing environmental programs that are necessary to meet applicable federal, state, and local laws, regulations, DOD policies and Executive Order requirements or which are in direct support of military mission. This also includes environmental management activities associated with the operation of facilities, installations and deployed weapon systems. Recurring costs consist of manpower; training; supplies; hazardous waste disposal, operating recycling activities; permits; fees; testing and monitoring/sampling and analysis; reporting and record keeping (e.g. Toxic Release Inventory Reporting); maintenance of environmental equipment; and compliance self assessments.

Class 1 Projects and activities needed that are currently out of compliance (have received an enforcement action from a duly authorized Federal agency, the state, or local authority; have signed compliance agreement or

received a consent order; and/or have not met requirements based on applicable laws, regulations, standards, DOD policies or Presidential Executive Orders). This class also includes projects and activities needed that are not currently out of compliance (deadlines or requirements have been established by applicable laws, regulations, standards, DOD policy or Presidential Executive Orders, but deadlines have not passed or requirements are not in force) but will be if projects or activities are not implemented within the current program year. These activities included the preparation of plans (e.g.: National Environmental Policy Act documentation, master plans, emergency response plans, integrated natural and cultural resource management plans, pollution prevention plans, etc.), opportunity assessments and inventories. The preferred approach is to use pollution prevention projects or actives, if they are cost effective, as the means of bringing a facility into compliance.

Class 2 Projects and activities needed that are not currently out of compliance (deadlines or requirements have been established by applicable laws, regulations, standards, DOD policies or Presidential Executive Orders, but deadlines have not passed or requirements are not in force) but will be if projects or activities are not implemented in time to meet and established deadline beyond the current year. The preferred approach is to use pollution prevention projects or activities, if they are cost effective, as the means of maintaining or bringing a facility into compliance.

Class 3 Includes projects and activities that are not explicitly required by law but are needed to address overall environmental goal and objectives.

SCORECARD MODEL

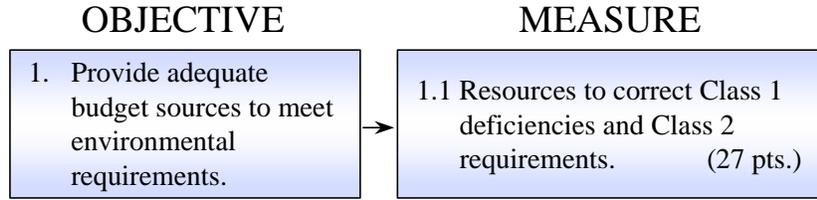
There is a maximum score of 94 points with “break points” at 50 and 70 points.

While full funding and best use of maximum resources is ideal, real-world scenarios do not bear this out. Sometimes excessive funding makes up for poor execution, and other times an outstanding staff and base-wide participation make up for a lack of funding. The starting point for a “green” score allows these real world-conditions.

	1.1 Resources to correct Class 1 deficiencies and Class 2 requirements. (27 pts.)
	1.2 Resources to meet Class 3 & 0 deficiencies/requirements. (20 pts.)
+	
	2.1 Resources to meet Class 0 requirements. (16 pts.)
	2.2 Staffing Template (21 pts.)
+	
	3.1 Efficiency Attributes Template. (10 pts.)
<hr/>	
GREEN	 SCORE > 70
YELLOW	 50 < SCORE < 70
RED	 SCORE < 50

SCORING CALCULATIONS METHODOLOGY

Objective 1.1 Correct Class 1 Deficiencies and Class 2 Requirements



The Class 1 Deficiencies and Requirements must be significant and have a POA&M to be considered in this metric. Class I issues that are not complex enough to require a POA&M are typically those that are resolved during normal operations and are accounted for in the operational budgets.

The findings that are known prior to the beginning of FY-1 should have a POA&M. The actions required to complete POA&M actions would have been executed in FY-1 using the funds available for that fiscal year. For all Class 1 findings significant enough to have POA&M’s and known to exist prior to the beginning of FY-1 are counted in the first section of the table.

What is necessary to meet future requirements is more difficult to specify with a specific formula. Although some of these requirements are known today, problems that may arise in the future allow a little more room to maneuver than those hitting us today. It is also based on the educated judgment of the activities’ Environmental Directors and the environmental staff. To create the score, the Environmental Director identifies future environmental requirements that make up the non-recurring costs.

Sometimes Class 2 deficiencies are not tracked as findings. In that case, the environmental director and staff should make an educated assessment as to how well the activity budgets cover known future requirements.

The environmental director and staff should make an educated assessment as to how well the activity budget covers the requirements. Elements of this metric were drawn from the POM form. Each element should be reviewed to determine if it is adequately funded for FY and FY+1. For each “Yes” answer 1.5 points are gained.

POM Element	Class of Requirement	Adequately Funded FY	Adequately Funded FY + 1
Environmental Compliance			
RCRA – Hazardous Waste	Class 1/2	Yes or No	Yes or No
RCRA – Solid Waste	Class 1/2	Yes or No	Yes or No
Clean Air Act	Class 1/2	Yes or No	Yes or No
Other Non-Recurring Costs	Class 1/2	Yes or No	Yes or No
Environmental P2			
RCRA – Hazardous Waste	Class 1/2	Yes or No	Yes or No
RCRA – Solid Waste	Class 1/2	Yes or No	Yes or No
Clean Air Act	Class 1/2	Yes or No	Yes or No
Hazardous Material Reduction	Class 1/2	Yes or No	Yes or No
Other Non-Recurring Costs	Class 1/2	Yes or No	Yes or No

The maximum point value for the score on this metric is 27 Points. It is calculated by determining what proportion of the elements are funded and awarding that percentage of points.

For the elements not applicable for the activity, full credit will be assigned.

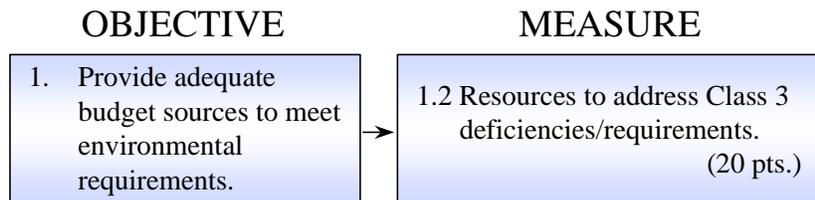
Example:

POM Element	Class of Requirement	Adequately Funded FY	Adequately Funded FY + 1	Raw Score
Environmental Compliance				
RCRA – Hazardous Waste	Class 1/2	Y	Y	3
RCRA – Solid Waste	Class 1/2	Y	Y	3
Clean Air Act	Class 1/2	Y	Y	3
Other Non-Recurring Costs	Class 1/2	N	N	0
Environmental P2				
RCRA – Hazardous Waste	Class 1/2	N	N	0
RCRA – Solid Waste	Class 1/2	N	N	0
Clean Air Act	Class 1/2	N/A	N/A	3
Hazardous Material Reduction	Class 1/2	Y	Y	3
Other Non-Recurring Costs	Class 1/2	Y	Y	3
TOTALS				18

Score for the activity is 18 points.

Objective 1.2 Adequate Resources

Adequate resources available to meet ongoing environmental requirements. This addresses the ability of the organization to meet the Class 3 requirements. This will show that the organization’s resources are budgeted to meet the ongoing, recurring requirements for maintaining environmental programs in stable, healthy condition.



The environmental director and staff should make an educated assessment as to how well the activity budget covers the requirements. Elements of this metric were drawn from OPNAVINST 5090. Each element should be reviewed to determine if it is adequately funded for FY and FY+1.

Navy Requirement	Adequately Funded FY	Adequately Funded FY + 1	N/A
1. Current Industrial Wastewater Management Plan			
2. Used Oil Recycling Program			
3. Current PCB Elimination Plan			
4. Current Pest Management Plan			
5. Current ODS Elimination Plan			
6. Current Energy Conservation Plan			
7. Hazardous Material Control & Management Plan			
8. CHRIMP Program			
9. P2 Practices of OPNAV 5090 chapter 3			
10. Hazardous Material Substitution			
11. Environmental & OSH joint AUE development			
12. Hazardous Waste Management Plan			
13. Solid Waste Management Plan			
14. Resource Recovery Plan			
15. Tank Management Plan			
16. Annual Air Emission Sources Survey			
17. Active Environmental Management/Compliance/Protection Board/ESC			
18. Annual Environmental Awareness Training for all employees			
19. Annual Environmental Awareness Training for new employees			
20. Billet-specific environmental training			
21. Host-Tenant agreements/MOAs/MOUs/ISSAs addressing environmental responsibilities			
22. REC and NAVSEA notification of potentially precedent setting issues			
23. Spill reporting procedure			
24. NON/NOV reporting procedure			
25. Current spill response instruction			
26. Trained and prepared spill response personnel and resources (Instruction/MOA)			
27. Integrated Spill Prevention and Response Plan			
28. Site/area specific spill plans, spill drills (annual)			
29. Coordination with OSH office in areas of overlap			
30. Commanding Officer signature on permit applications			
31. Participation on ESH PAT			
32. POM completion			
33. SECE completion			
TOTALS			

Scoring: To calculate the score you determine what percentage of the requirements are funded (compensate for NA) and are awarded that percentage of available points.

1. Give one point for each “yes” answer
2. Give two points for each N/A
3. Total points Awarded

$$\text{Score} = \frac{\text{Points}}{\text{Total Points Possible}} \times 20$$

Example:

Navy Requirement	Adequately Funded FY	Adequately Funded FY + 1	N/A
1. Current Industrial Wastewater Management Plan	Y	N	
2. Used Oil Recycling Program	N	N	
3. Current PCB Elimination Plan	Y	Y	
4. Current Pest Management Plan	N	N	
5. Current ODS Elimination Plan	Y	Y	
6. Current Energy Conservation Plan	Y	Y	
7. Hazardous Material Control & Management Plan	Y	Y	
8. CHRIMP Program			√
9. P2 Practices of OPNAV 5090 chapter 3	N	N	
10. Hazardous Material Substitution	Y	Y	
11. Environmental & OSH joint AUE development	Y	Y	
12. Hazardous Waste Management Plan	Y	Y	
13. Solid Waste Management Plan	Y	Y	
14. Resource Recovery Plan	Y	Y	
15. Tank Management Plan			√
16. Annual Air Emission Sources Survey	N	N	
17. Active Environmental Management/Compliance/Protection Board/ESC	N	N	
18. Annual Environmental Awareness Training for all employees	N	N	
19. Annual Environmental Awareness Training for new employees			√
20. Billet-specific environmental training	Y	N	
21. Host-Tenant agreements/MOAs/MOUs/ISSAs addressing environmental responsibilities			√
22. REC and NAVSEA notification of potentially precedent setting issues	Y	Y	
23. Spill reporting procedure	Y	N	
24. NON/NOV reporting procedure	Y	N	
25. Current spill response instruction	Y	N	
26. Trained and prepared spill response personnel and resources (Instruction/MOA)	Y	N	
27. Integrated Spill Prevention and Response Plan	Y	Y	
28. Site/area specific spill plans, spill drills (annual)	Y	N	
29. Coordination with OSH office in areas of overlap	N	N	
30. Commanding Officer signature on permit applications			√
31. Participation on ESH PAT	Y	Y	
32. POM completion	Y	Y	
33. SECE completion	Y	Y	
TOTALS			

Scoring:

Yes = 35

N/A = 5 x 2 = 10

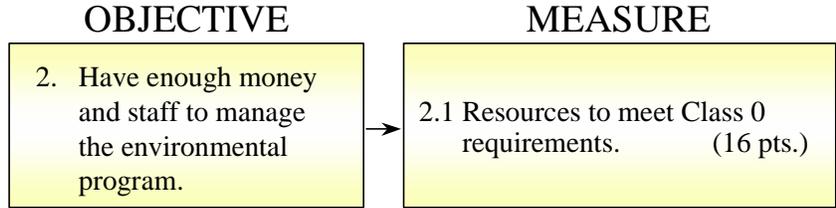
Score = $\frac{45}{66} \times 20 = .68 \times 20 = 13.6$

66

Score for activity is 13.6 points.

Objective 2 Have Enough Money and Staff to Manage the Environmental Program

This objective measures whether the environmental program has enough resources and staff to meet the day-to-day requirements for success. The measure evaluates whether an environmental program is adequately funded to be up and running and meeting basic requirements.



The environment directory and staff should make an educated assessment as to how well the activity budget covers the requirements. Each element should be reviewed to determine if it is adequately funded for FY and FY+1. For each “Yes” answer a point is gained.

Element	Class of Requirement	Adequately Funded FY	Adequately Funded FY + 1
Manpower	Class 0	Yes or No	Yes or No
Education & Training	Class 0	Yes or No	Yes or No
Permits and Fees	Class 0	Yes or No	Yes or No
Sampling, Analysis, Monitoring	Class 0	Yes or No	Yes or No
Waste Disposal	Class 0	Yes or No	Yes or No
Other Recurring Compliance Costs	Class 0	Yes or No	Yes or No
Environmental P2 Recurring Costs	Class 0	Yes or No	Yes or No
Environmental Program Support	Class 0	Yes or No	Yes or No

The maximum point value for the score on this metric is 16 Points.

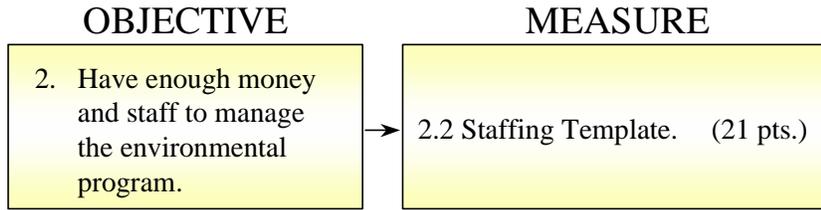
For the elements not applicable for the activity, full points will be assigned.

Example:

Element	Class of Requirement	Adequately Funded FY	Adequately Funded FY + 1	Score
Manpower	Class 0	Y	Y	2 Points
Education & Training	Class 0	Y	Y	2 Points
Permits and Fees	Class 0	Y	Y	2 Points
Sampling, Analysis, Monitoring	Class 0	Y	Y	2 Points
Waste Disposal	Class 0	N	N	0 Points
Other Recurring Compliance Costs	Class 0	Y	Y	2 Points
Environmental P2 Recurring Costs	Class 0	N	Y	1 Point
Environmental Program Support	Class 0	Y	Y	2 Points
TOTAL POINTS				13 Points

Score for the activity is 13 Points.

Objective 2.2: Staffing Template



Staffing Template	Yes	No
1. Do you have enough staff to consult with line managers to provide environmental advice?		
2. Do you have enough staff to cross train?		
3. Do you have enough staff to respond to action items?		
4. Do you have enough staff to conduct field inspections?*		
5. Can you do proactive training?*		
6. Can you support initiatives of other groups?*		
7. Are you adequately staffed? Explain below:		
Raw Score		

* Include use of ESH Command personnel and contractors as appropriate.

Score 3 points for each “Yes” answer for a maximum of 21 points.

For elements not applicable to the activity, full points will be assigned.

Example:

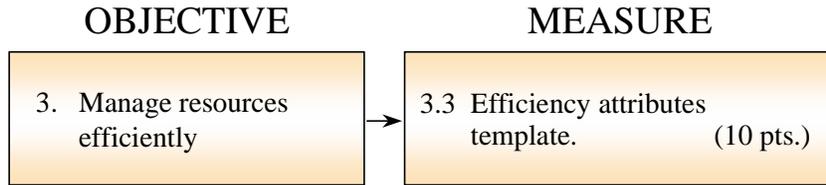
Staffing Template	Yes	No
1. Do you have enough staff to consult with line managers to provide environmental advice?	√	
2. Do you have enough staff to cross train?		√
3. Do you have enough staff to respond to action items?		√
4. Do you have enough staff to conduct field inspections?*	√	
5. Can you do proactive training?*		√
6. Can you support initiatives of other groups?*		√
7. Are you adequately staffed? Explain below: Staff at 60% of 1995 levels cannot meet emerging requirements and initiatives.		√ (60%)
Raw Score	3	5

* Include use of ESH Command personnel and contractors as appropriate.

Score = 3 x 3 points for each “Yes” = 9 points

Score for activity is 9 points.

Objective 3: Manage Resources Efficiently



This objective is composed of the Efficiency Template and is worth 10 points. These questions are concerned with the soundness of the economic analysis that is made for potential environmental projects. The behavior that it is trying to foster is realistic cost estimation; rigorous cost comparison; workable budget formulation; and systematic, logical project prioritization.

Efficiency Attributes Template	Some	Most	All	Score
1. External environmental reports are consistent with each other (e.g. POMs/PRs, President’s Budget, etc.).	2	6	10	
2. POMs/PRs are prepared by the Environmental Manager with involvement from Facility Manager, Business Officers and Comptroller, as required.	2	6	10	
3. Environmental expenditures are tracked.	2	6	10	
4. CO or chain of command involvement in annual prioritization of environmental labor/non-labor resources.	2	6	10	
5. Periodic review of environmental financial status by CO or chain of command.	2	6	10	
Raw Score				

Example:

Efficiency Attributes Template	Some	Most	All	Score
1. External environmental reports are consistent with each other (e.g. POMs/PRs, President’s Budget, etc.).	2	6	10	10
2. POMs/PRs are prepared by the Environmental Manager with involvement from Facility Manager, Business Officers and Comptroller, as required.	2	6	10	10
3. Environmental expenditures are tracked.	2	6	10	6
4. CO or chain of command involvement in annual prioritization of environmental labor/non-labor resources.	2	6	10	6
5. Periodic review of environmental financial status by CO or chain of command.	2	6	10	6
Raw Score				38

$$\text{Score} = \frac{\text{Total}}{5} = \frac{38}{5} = 7.6 \text{ points.}$$

Score for activity is 7.6 points.

A sample Financial Perspective “Scorecard” based on the examples is presented below.

OBJECTIVE	MEASURE	SCORE
1. Meet current requirements	1.1 Resources to correct Class 1 deficiencies/Class 2 requirements.	18
	1.2 Resources to meet Class 3 requirements.	13.6
2. Have enough money and staff to manage the environmental program	2.1 Resources to meet Class 0 requirements	13
	2.2 Staffing Template	9
3. Manage resources efficiently	Efficiency Attributes Template	7.6
FINANCIAL PERSPECTIVE = 61.2 Points = YELLOW		