



BUSINESS ADVICE WITH INTEGRITY

Objectives

- PPBE Terms
- PPBE Timing
- PPBE Responsibilities
- Governing Documents
- Relationships between Planning, Programming and Budgeting
- PPBE and the Congress
- How Performance fits

- PPBS born in 1961
- Father: Secretary of Defense Robert McNamara
- Two New Concepts
 - Emphasized objectives over incremental improvements
 - Linked planning to budgeting
- Reborn in 2003
 - Became PPBE
 - Added two year cycle

- National Security Strategy of the United States
- National Military Strategy
- Strategic Planning Guidance (formerly DPG)
- Quadrennial Defense Review
- Review of Roles and Missions
- Integrated Priority Lists
- Joint Programming Guidance



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Programming

- Program Objective Memoranda (POM)- Even Years
 - Program Change Proposals (PCP)- Odd Years
 - Issue Books by OSD
 - Program Decision Memoranda (PDM)- PA&E
 - POM looks across the FYDP (6 years)
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Balance= +/- 10's of millions

It's all about assumptions

Pay no bill before it's time

What's the rush?

Less of more is a cut
They'll fix it later
There's always a bow wave



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Budgeting

- Budget Estimate Submission- Services to OSD
- BCP in off-years
- Out-of-court settlements
- Major Budget Issues
- Program Budget Decisions (PBD)- OSD Issued
- Delivered to OMB in late December
- OMB Delivers President's Budget (PB) 1st week of Feb



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Budgeting

Balance = <\$10M

What will the Hill say?

We've got to stay on schedule!

More is more

Pay the bills

My relief may go to jail

Love that inflation!

We'll fix it in execution



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Execution

- Begins with signing of Appropriations Bill
- Major Appropriation Categories
 - Procurement
 - Shipbuilding and conversion
 - Operation and Maintenance
 - Military Personnel
 - Military Construction
 - Defense Working Capital Fund
- Treasury issues warrants
- OMB apportions appropriations to DoD
- DoD Comptroller allocates funds to Services
- Big 4 Committees monitor



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Execution

I'm going to jail!

Balance = Balance

The metric = BURN RATE

Hurricane? That's not in the plan!

\$100 a barrel?no way!

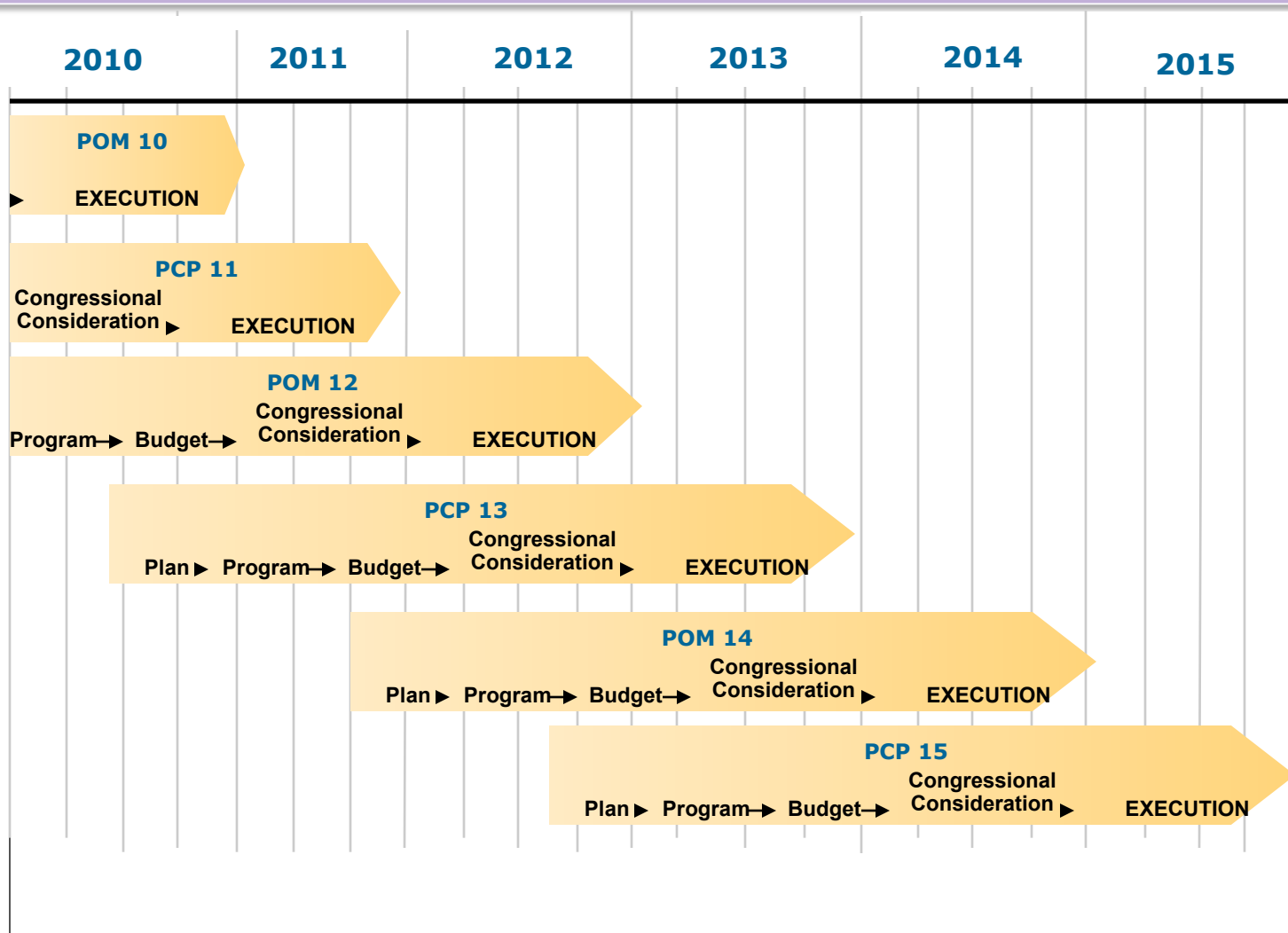
Reprogramming will fix it

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Overlapping PPBE Cycles



- Supplemental
- Reprogramming
- Cash Balances
- Continuing Resolutions
- Hearings
- Housing rates
- Fuel costs
- Medical costs
- New Administration