

The Combined Program Budget Review Process

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(Program/Budget)

Why PPBS?

- Rigorous/comprehensive process that addresses resource allocation issues
- Identify mission requirements
- Translate mission requirements into budget/personnel resources
- Evaluate alternatives
- Prioritize requirements
- Incorporate administration/legislative initiatives

First "P"

- Planning - Defense Planning Guidance
 - Planning assumptions
 - Programmatic direction
 - Fiscal Guidance

Second "P"

- Programming
 - Analysis/evaluation of programs in relation to objectives
 - cost estimates
 - resource constraints
 - alternatives
 - Ensure program costs are accurate and complete
 - Program Decision Memorandum (PDM)
 - Future Years Defense Program (FYDP)

The “B”

- Budgeting
 - Analysis/evaluation of budget estimates
 - Cost estimates
 - Executability
 - Budget policy issues
 - “color of money”
 - full versus incremental funding
 - Develop alternatives
 - Focus on budget year
 - Program/Budget Decision (PBD)

DoD Budget Review

- Office of Management and Budget (OMB)
 - Joint review with Office of the Secretary of Defense (OSD)
 - Administration priorities/initiatives
 - Passback
- Establish Topline
- President's budget request

Program/Budget Review

- Planning guidance compliance issues
- Programmatic issues
- Analysis of cost estimates
- Executability assessment
- Phasing by fiscal year
- Budget policy conformance
- Focus: Both budget year and FYDP

Challenges

- Schedule
- Cultural differences
- OSD/Component interaction
- Rationalize data/justification requirements
- Decision documents

Does it Work?

- Does budget/FYDP reflect President/SecDef priorities?
- Does budget/FYDP support administration's policies/initiatives?
- Does budget/FYDP reflect legislative direction?
- Did process allow all stakeholders opportunity to participate?

Does it Work?

- Are programs funded consistent with policy guidance/legal limitations?
- Are programs priced based on sound cost estimates?
- Are programs executable as proposed?
- Can programs and budget estimates be justified to Congress/public?