

# CHAPTER 9

## ARMY PLANNING, PROGRAMMING, BUDGETING, AND EXECUTION SYSTEM

*Before the era of Secretary of Defense McNamara, each Service essentially established its own single-year budget and submitted it to Congress annually. Secretary McNamara, however, applied a different approach founded on a study by the RAND Corporation. He required the Services to prepare a single document, the then Five Year Defense Program, or FYDP, which detailed their resource requirements on a multi-year basis. He established himself as the sole authority for approving changes to the FYDP, and Services that desired change to the approved FYDP had to obtain his approval. That formed the rudimentary beginning of the DOD Planning, Programming, and Budgeting System, or PPBS, which has changed substantially over the intervening years.*

### SECTION I INTRODUCTION

#### 9-1. Chapter content

This chapter describes how, at the beginning of 2001, the PPBS and its Army counterpart, the Planning, Programming, Budgeting, and Execution System (PPBES), help acquire, allocate, and manage resources for military functions. Prescribed by Army Regulation 1-1, the PPBES makes up the Army component of the Department of Defense (DOD) Planning, Programming, and Budgeting System (PPBS) governed by DOD Directive 7045.14 and DOD Instruction 7045.7. This account describes the PPBES in relation to its parent PPBS. It lays out the responsibilities of Army officials—for overseeing the PPBES, for managing the several phases of its process, and for performing PPBES-related operational tasks. Next, the chapter highlights principal forums and other key characteristics of the DOD PPBS and then the Army PPBES. After displaying a graphic representation of the system's recurring events and organizational structure, the chapter concludes with a phase-by-phase discussion of the system's biennial process.

#### 9-2. PPBS—a dynamic system

First, however, consider the history of the PPBS now beginning its 40th year. Significant events recorded by presidential administration show how the system has evolved, revealing a dynamic system.

**a. 1962—Kennedy/McNamara.**

(1) The DOD PPBS began in 1962 as a management innovation of President Kennedy's Secretary of Defense (SecDef), Robert McNamara. Before McNamara, each Military Department had prepared its budget following individual Service interests with very little guidance. Previous SecDef involvement was for the most part limited to dividing the budget ceiling of DOD between the Services. If the Services exceeded their "share of the pie," the SecDef would reduce their budget, usually by a percentage cut across all appropriations. Introducing the PPBS changed all this.

(2) Based on a concept developed at the RAND Corporation in the 1950s, the PPBS inaugurated a multi-year programmatic focus. Annual ceiling reductions gave way to analysis centered on 10 major force and support programs over a 5-year program period.

**b. 1969—Nixon/Laird.** The first major change in the PPBS occurred under President Nixon's SecDef, Melvin Laird. The Laird management style stressed participatory management. The Office of the Secretary of Defense (OSD) no longer initiated detailed program proposals; it reviewed those put forward by the Services using specific budgetary ceilings.

**c. 1977—Carter/Brown.** President Carter introduced zero-based budgeting to the Federal Budget. It achieved only limited success. The goal of zero-based budgeting was to identify marginal programs more clearly. "Decision packages" arrayed resources at three different levels, giving OSD greater opportunity to alter Service program proposals. Each Service developed procedures to array the decision packages. As an aid in building and displaying its program, the Army installed a program development increment package (PDIP). Used internally and not reflected in programs and budgets forwarded by the Army, the PDIP has since evolved into a management decision package (MDEP). In 1979, as a result of a RAND Corporation study (the Rice Study), Secretary of Defense Brown formed the Defense Resources Board (DRB). Designed to manage the PPBS more effectively, the DRB consisted of various OSD officials and the Chairman of the Joint Chiefs of Staff (CJCS).

**d. 1981—Reagan/Weinberger.** The Reagan Administration pledged to revitalize American military strength in the most effective and economical manner. This objective led to significant changes in the PPBS known as the Carlucci initiatives (Frank Carlucci was the Deputy Secretary of Defense (DepSecDef) and Chairman of the DRB). Initiatives included a greater emphasis on long-range planning, a greater decentralization of authority to the Services, closer attention to cost savings and efficiencies, a refocus of DRB Program Review on major issues only, and a general streamlining of the entire PPBS process. In addition, a restructured DRB added Service Secretaries as full members. The DRB would now review and approve policy and strategy in the planning phase, which produced defense guidance (DG). Moreover, one initiative invited commanders in chief (CINCs) of the combatant commands to participate in crucial DRB deliberations during the development of the DG and the DRB Program Review.

**e. 1984—Enhancement of the role of the CINC in the PPBS.** DepSecDef Taft introduced procedures to allow the CINCs a greater voice in the process for developing Program Objective Memorandums (POMs) and the DRB Program Review. The

procedures included: CINC submission of prioritized requirements (via integrated priority lists (IPLs)); tracking CINC concerns during POM development and execution; visibility of CINC requirements in the POMs; enhanced CINC participation in DRB program review; and enhanced role for the Joint Chiefs of Staff (JCS) in the review and coordination of CINC concerns.

**f. 1986—Conversion from annual to biennial PPBS cycle.** In response to his Blue Ribbon Commission on Defense Management (Packard Commission) and the *DOD Authorization Act of 1986* (Public Law 99-145), President Reagan issued National Security Decision Directive 219, directing that the Office of Management and Budget (OMB) and DOD produce a 2-year budget beginning with the FY 1988 and FY 1989 budget years. In response to this direction, OSD and the Military Departments implemented a biennial PPBS process. In practice, however, Congress still requires an annual budget submission, compelling an off cycle update of the POM and budget for the second budget year.

**g. 1987—CINC capabilities to participate effectively in the PPBS budget phase.** Earlier decisions of the DRB gave the CINCs a role in the planning and programming phases of the PPBS. In October 1987, the DRB expanded the role of the CINCs to include the budget review and execution phase.

**h. 1989—Bush/Cheney.** During the early stages of DOD downsizing, President Bush instituted a series of defense management review decisions. In another initiative, SecDef Cheney modified the framework for PPBS decision-making, including in the structure a core group of DOD officials he used to help manage the Department.

**i. 1993—Clinton/Aspin, Perry, Cohen.** DOD downsizing continued under the Clinton Administration guided initially by SecDef Les Aspin's Bottom Up Review and later by the results of the Defense Performance Review, Commission on Roles and Missions of the Armed Forces, and 1997 Quadrennial Defense Review. The Clinton administration continued the PPBS framework of the Bush Administration, using a core group of DOD managers and several review forums including a program review group (PRG) expanded by the Administration.--

## SECTION II SYSTEM RESPONSIBILITIES

### 9-3. Secretarial oversight

**a. PPBES oversight and Armywide policy development.** The Assistant Secretary of the Army (Financial Management and Comptroller) (ASA(FM&C)) oversees the PPBES and the development and promulgation of Armywide PPBES policy. The ASA(FM&C) also oversees all Army appropriations and serves as the sponsor for all appropriations except Army National Guard (ARNG) and U.S. Army Reserve (USAR) appropriations.

**b. Functional oversight.** Principal officials of the Office of the Secretary of the Army (OSA) oversee operation of the PPBES process within assigned functional areas and provide related policy and direction.

#### **9-4. System management**

The ASA(FM&C), with the Director of Program Analysis and Evaluation (DPAE), manages the PPBES. As provided below, the Deputy Chief of Staff for Operations and Plans (DCSOPS) joins the ASA(FM&C) and DPAE to manage various aspects of the several PPBES phases, each establishing and supervising policies and procedures necessary to carry out phase functions.

#### **9-5. Planning phase**

**a. Deputy Chief of Staff for Operations and Plans.** Responsible for strategy, planning, and requirements determination, DCSOPS—

- (1) Administers the Army Planning System to meet and complement the demands of the Joint Strategic Planning System (JSPS) and the Joint Operational Planning and Execution System (JOPES).
- (2) Prepares The Army Plan(TAP).
- (3) Exercises staff supervision of joint matters and assigns, coordinates, and reviews Joint Staff actions.
- (4) Integrates the views of principal officials of Headquarters Department of the Army (HQDA) on Army missions and capabilities consonant with national security objectives and DOD guidance.
- (5) Develops the program force.
- (6) Makes sure that CINC-required warfighting capabilities are integrated into the Army requirements determination process.
- (7) Determines force-related requirements of the Active Army, ARNG, and USAR that includes:
  - (a) Developing near-, mid-, and long-term force requirements.
  - (b) Developing requirements for organization, force structure, personnel, materiel, command and control, mobilization, facilities, and training devices.
- (8) Recommends priorities for Army requirements, programs, and resources to the Chief of Staff, Army (CSA) for approval by the Secretary of the Army (SECARMY).
- (9) Provides the operational link between HQDA, the Joint Staff, and, through commanders of Army service component commands (ASCCs), the CINCs.
- (10) With the Deputy Chief of Staff for Programs (DCSPRO), helps DPAE prepare—
  - (a) Army input to OSD's Defense Program Projection and Army comments on the Defense Planning Guidance (DPG).
  - (b) Briefings on the resource status of CINC issues.
- (11) With DCSPRO, helps ASA(FM&C) coordinate CINC major budget issues.

(12) With DCSPRO and the Assistant Secretary of the Army (Acquisition, Logistics, and Technology) (ASA(ALT)), prepares the Army modernization plan (AMP) and research, development, and acquisition plan (RDAP).

(13) Serves as Army manager for force structure issues (Figure 9-1 below), and performs programming and budgeting assignments listed in Tables 9-5 and 9-6. (Tables 9-5 and 9-6 appear at the end of the chapter.)

**b. DCSPRO.** Responsible for the execution of approved materiel requirements, DCSPRO—

(1) With DCSOPS and ASA(ALT), helps prepare the following:

(a) The AMP

(b) The RDAP that is represented by the database for the Future Years Defense Program (FYDP) augmented for the extended planning period (EPP).

(2) With DCSOPS, helps DPAE prepare—

(a) Army input to OSD’s Defense Program Projection and Army comments on the Defense Planning Guidance (DPG).

(b) Briefings on the resource status of CINC issues.

(3) With DCSOPS, helps ASA(FM&C) coordinate CINC major budget issues.

#### **9-6. Integrated programming and budgeting phase**

ASA(FM&C) and DPAE jointly manage the integrated programming and budgeting phase.

##### **a. Director of Program Analysis and Evaluation.**

Taking the lead on program matters, DPAE—

(1) Provides the SECARMY and CSA with independent assessments of program alternatives and priorities.

(2) With ASA(FM&C) and DCSOPS, guides and integrates the work of the program evaluation groups (PEGs) throughout the PPBES process.

(3) Serves as the authoritative source of the FYDP resource position for the Army as a whole and, specifically, for CINC issues resourced by HQDA.

(4) Exercises HQDA staff jurisdiction over the POM development process and FYDP to include interaction with OSD and the Joint Staff on resource issues.

(5) With input from PEGs and program integrators (Figure 9-2), develops the Army Program Guidance Memorandum (APGM) (section III, TAP).

(6) With DCSOPS and functional proponents—

(a) Responds to DPG and other OSD programming guidance.

(b) Prepares Army input to OSD’s Defense Program Projection and the DPG.

(7) With functional proponents—

(a) Develops and defends the Army program, manages its codification in the POM.

(b) Reviews CINC integrated priority lists (IPLs).

(c) Reviews commander's narratives and command-requested changes submitted by commanders of the major Army commands (MACOM), program executive officers (PEOs), program managers (PMs), and heads of other operating agencies.

(8) Directs the review and analysis of Army programming actions, performs selected studies, and develops alternatives for resource planning and programming.

(9) Manages the MDEP architecture.

(10) Makes sure the force structure and manpower information included in FYDP submissions to OSD match the positions in the military force structure and accounting databases for the Active Army, ARNG, USAR, and civilian work force. (Data in the FYDP and in the force structure and manpower databases must match before the FYDP can be provided to OSD.)

(11) With DCSOPS and ASCCs, briefs each CINC on the resource status of the CINC's issues after submission of each POM.

(12) With ASA(FM&C)—

(a) Maintains the data architecture of the Army management structure (AMS) to meet management needs for each phase of the PPBES and to support FYDP submissions (including annexes).

(b) Maintains a resource management architecture to support the integration of PPBES processes and systems.

(c) Maintains the database architecture for the PPBES Data Management System (Probe), paragraph 9-27a, below.

(d) Maintains Probe as the official database of record for Army program and budget data, managing data entry into Probe and making sure that Probe data elements remain consistent both internally and with AMS and FYDP reporting requirements (including annexes).

(e) Produces the resource position for submitting the Army portion of the FYDP and for periodic issue of Program and Budget Guidance, Volume II. Generates and submits electronic data in support of Army budget estimates.

(13) With appropriate HQDA principal officials develops automated management systems, decision support systems, and predictive models to support program development.

(14) Provides analytical and administrative support to the Planning Program Budget Committee (PPBC), Senior Review Group (SRG), and Army Resources Board (ARB).

**b. Assistant Secretary of the Army (Financial Management and Comptroller).** During the integrated programming and budgeting phase, ASA(FM&C) takes the lead on

budget matters. In particular, ASA(FM&C) through the Deputy Assistant Secretary of the Army (Budget) (DASA(B))—

- (1) Supervises and directs preparation of Army budget estimates.
- (2) With functional proponents and PEGs, prepares the Army Budget from the approved Army program.
- (3) Reviews and consolidates the ARNG and USAR budgets with the Active Army budget for submission to OSD and Congress.
- (4) Guides and integrates the work of PEGs on budget matters.
- (5) With DCSOPS, coordinates with each CINC on major budget issues affecting the CINC's resource requirements.
- (6) Develops and approves the independent cost estimate to check the reasonableness of the baseline cost estimate for selected major weapon and information systems and sets the Army cost position that certifies or modifies the baseline cost estimate as appropriate.
- (7) Validates economic analyses supporting new programs.
- (8) With DPAAE, performs system and data management functions as described above.
- (9) Issues resource controls for authorized or projected total obligation authority (TOA), manpower, and force structure before each update of the Probe database.
- (10) Performs budget and appropriation sponsor assignments listed in Tables 9-5 and 9-6 at chapter end.

### **9-7. Execution phase**

ASA(FM&C) manages the PPBES execution phase and applies funds appropriated by Congress to carry out authorized programs. In the process, ASA(FM&C)—

- a. Supervises and directs financial execution of the congressionally approved budget.
- b. Reports on budget execution.
- c. Oversees policy and guidance to account for and report on Army managed funds.
- d. Oversees accounting for and reporting on use of Army-managed funds to OSD and Congress by appropriation. As applicable to each appropriation, includes FYDP program, program element (PE), project number, budget line item number (BLIN), budget activity (BA), budget activity group (BAG), budget subactivity (BSA), element of resource (EOR), and financing data. Also as applicable to an appropriation, accounts for and reports on the use of manpower-by-manpower category.
- e. With the Defense Finance and Accounting Service (DFAS), oversees the development and maintenance of Army systems in support of financial analysis; and oversees implementation of the same standard Army systems in support of distribution, accounting, and reporting of funds.

f. Reviews program performance, specifically overseeing the Quarterly Army Performance Review (QAPR).

### **SECTION III RESPONSIBILITIES FOR PPBES-RELATED OPERATIONAL TASKS**

#### **9-8. HQDA principal officials**

**a. Assistant Secretary of the Army (Acquisition, Logistics, and Technology).**  
ASA(ALT)—

(1) Performs Army acquisition management activities as the designated Army Acquisition Executive (AAE).

(2) Represents the Army on the Defense Acquisition Board (DAB), the Nuclear Weapons Council Standing Committee, and the Conventional Systems Committee.

(3) Advises the SECARMY on matters of acquisition management.

(4) With the Vice Chief of Staff, Army (VCSA), co-chairs the Army Systems Acquisition Review Council (ASARC).

(5) Integrates the development and acquisition of materiel into all phases of the PPBES process.

(6) With DCSPRO, exercises responsibility for the research, development, test, and evaluation (RDTE) and procurement programs.

(7) Performs programming and budgeting assignments listed in Tables 9-5 and 9-6 at chapter end.

**b. Assistant Secretary of the Army (Manpower and Reserve Affairs).**  
ASA(M&RA)—

(1) Approves policy for, and oversees, manpower, force structure, and personnel activities conducted throughout the Army.

(2) Oversees development and promulgation of Reserve Component policy.

(3) Performs PPBES functions and responsibilities outlined in AR 10-5 and related functions affecting manpower, including review of proposed manpower levels before approval by the SECARMY and CSA.

(4) Serves as Army manager for Army Management Headquarters Activities (AMHA) (Figure 9-1) and performs programming and budgeting assignments listed in Tables 9-5 and 9-6 at chapter end.

(5) Approves allocation of military end strength, civilian end strength, and civilian work years to MACOMs, PEOs, PMs, and other operating agencies.

**c. Director of Information Systems for Command, Control, Communications, and Computers.** DISC4 serves as Program Integrator for Information Technology as provided in paragraph 9-32, below.

**d. Deputy Under Secretary of the Army, International Affairs.** DUSA(IA)—

(1) Co-chairs selected mission areas in the development of The Army Plan(TAP).

(2) Oversees and justifies those portions of the Army budget relative to Army international activities, Title 10 foreign military sales, the International Military Education and Training Transfer Appropriation, OSD directed executive agencies, and CINC engagement programs.

(3) Performs programming and budgeting assignments listed in Tables 9-5 and 9-6 at chapter end.

**e. Deputy Chief of Staff for Intelligence. DCSINT—**

(1) Prepares, justifies, and submits the program and budget for the Army portion of the National Foreign Intelligence Program (NFIP) per the policy, resource, and administrative, guidance of the Director of Central Intelligence and DOD NFIP program managers.

(2) Performs programming and budgeting assignments listed in Tables 9-5 and 9-6 at chapter end.

**f. Deputy Chief of Staff for Logistics. DCSLOG—**

(1) Reviews the program and budget for its capability to sustain the force.

(2) Performs programming and budgeting assignments listed in Tables 9-5 and 9-6 at chapter end.

**g. Deputy Chief of Staff for Personnel. DCSPER—**

(1) Manages the individuals account for Active Army military manpower not included in Army operating strength as listed in Figure 9-1, below.

(2) Allocates Active Army military strength to MACOMs, PEOs, PMs, and other operating agencies.

(3) Collects for reimbursable manpower allocated to revolving funds and non-Army agencies.

(4) Performs programming and budgeting assignments listed in Tables 9-5 and 9-6 at chapter end.

**h. Chief, National Guard Bureau. The Chief, National Guard Bureau (CNGB) through the Director of the Army National Guard (DARNG)—**

(1) Prepares and justifies the budget for ARNG appropriations and performs operational tasks set forth below for commanders of MACOMs and other operating agencies.

(2) Serves as Army manager for ARNG manpower issues as listed in Figure 9-1, below, and performs programming and budgeting assignments listed in Table 9-2, below, and Tables 9-5 and 9-6 at chapter end.

**i. Chief, Army Reserve. The Chief, Army Reserve (CAR)—**

(1) Prepares and justifies the budget for USAR appropriations.

(2) Serves as Army manager for USAR manpower issues as listed in Figure 9-1, below, and performs programming and budgeting assignments listed in Table 9-2, below, and Tables 9-5 and 9-6 at chapter end.

**j. Other principal officials.** Other HQDA principal officials, as assigned, serve as Army managers for manpower issues listed in Figure 9-1, and perform programming and budgeting assignments listed in Tables 9-5 and 9-6 at chapter end.

<b>Managers for Manpower and Force Structure Issues</b>	
<i>Issue</i>	<i>Manager</i>
Force structure/Unit Identification Code (UIC)	DCSOPS
Military (Active)	ASA (M&RA)
Army National Guard	DARNG
Manpower	CAR
U.S. Army Reserve	ASA (M&RA)
Manpower	DCSPER
Civilian (end strength) Individuals account	ASA (M&RA)
Army Management Headquarters Activities (AMHA)	ASA (M&RA)
Joint and Defense Accounts	

**Figure 9-1. Managers for Manpower and Force Structure Issues**

<b>Program Evaluation Groups</b>		
<i>Title</i>	<i>Co-chairs</i>	
Manning	ASA (M&RA)	DCSPER
Training	ASA (M&RA)	DCSOPS
Organizing	ASA (M&RA)	DCSOPS
Equipping	ASA (ALT)	DCSPRO
Sustaining	ASA (ALT)	DCSLOG
Installations	ASA (I&E)	ACSIM
<b>Program Integrators</b>		
Army National Guard	DARNG	
U.S. Army Reserve	CAR	
Information Technology	DISC 4	

**Figure 9-2. Program Evaluation Groups**



### 9-9. Army commanders

**a. Commanders of MACOMs, PEOs, PMs and heads of other operating agencies.** MACOM commanders, PEOs, PMs, and heads of other operating agencies:

- (1) Plan, program, and budget for assigned missions, responsibilities, and functions.
- (2) Document manpower in their subordinate organizations per allocated manpower levels.
- (3) Execute the approved MACOM or agency program within allocated resources, applying the inherent flexibility allowed by law and regulation.
- (4) Assess MACOM or agency program performance and budget execution and:
  - (a) Account for and report on use of allocated funds by appropriation and MDEP. As applicable to each appropriation, include FYDP program, AMSCO, PE, project number, BLIN, BA, BAG, BSA, and EOR. Also, account for and report on use of allocated manpower by unit identification code (UIC).
  - (b) Use manpower data (especially the Civilian Employment Level Plan (CELP)) and financial data from budget execution in developing future requirements.

**b. Commanders of MACOMs serving as Army service component commanders.** MACOM commanders serving as Army service component command (ASCC) commanders identify and integrate their other missions and operational requirements with the requirements of the CINC.

### 9-10. Staff managers and sponsors for congressional appropriations

The task of getting Army resources entails working with separate resource allocation structures for congressional appropriations and the FYDP. Figure 9-1, above, lists staff managers for manpower and force structure issues. Figure 9-4, above, lists proponents of FYDP programs and subprograms. Tables 9-5 and 9-6 at chapter end list staff managers and sponsors for Army appropriations and funds and 0-1 level budget activities of the operation and maintenance appropriations. Responsibilities of designated staff managers and sponsors are as follows.

**a. Manager for manpower and manager for force structure issues.** The manager for manpower issues and the manager for force structure issues work together to maintain a continuous exchange of information and collaboration. As appropriate, they—

- (1) Coordinate instructions to the field, and the processing of requests from the field, for manpower or force changes.
- (2) Align and balance manpower and unit information among the Structure and Manpower Allocation System (SAMAS), The Army Authorization Documents System (TAADS), Probe, and the FYDP.
- (3) Provide lead support on manpower issues to the chairs of PEGs.

**b. Manager for functional requirements.** The manager for functional requirements—

- (1) Determines the scope, quantity, and qualitative nature of functional requirements for planning, programming, and budgeting.
- (2) Checks how commands and agencies apply allocated manpower and dollars to make sure their use fulfills program requirements.
- (3) Reviews unresourced programs submitted by MACOMs, PEOs, PMs, and other operating agencies.
- (4) Resolves conflicts involving unresourced requirements or decrements on which MACOMs, PEOs, PMs and other operating agencies fail to reach agreement in developing the program or budget.
- (5) Recommends to the Planning Program Budget Committee (PPBC) (see section on PPBES deliberative forums) the allocation of projected resources, unresourced programs, and offsetting decrements.
- (6) During program and budget reviews, and throughout the process, coordinates resource changes with agencies having proponentcy for MDEPs.

**c. Manager for program and performance.** The manager for program and performance—

- (1) Represents the functional program and monitors its performance.
- (2) As required, acts with the appropriation sponsor or helps him or her perform the duties listed for the appropriation sponsor, paragraph 9-10d(1) – d(5), below.
- (3) Translates budget decisions and approved manpower and funding into program changes and makes sure that data transactions update affected MDEPs.
- (4) Checks budget execution from the functional perspective.
- (5) For investment appropriations:
  - (a) Operates and maintains databases in support of Probe.
  - (b) During budget formulation, determines how changes in fiscal guidance affect budget estimates and reviews and approves the documentation of budget justification.
  - (c) During review of the budget by OSD and Office of Management and Budget (OMB) and by Congress, serves as appropriation advocate, helps prepare the Army response to OSD Program Budget Decisions (PBDs), and prepares congressional appeals.
  - (d) During execution determines fund recipients, monitors execution, perform decrement reviews, plans reprogramming, and controls below threshold reprogramming. On RDA matters and otherwise as required, testifies before OSD and Congress.

**d. Appropriation sponsor.** The appropriation sponsor—

- (1) Controls the assigned appropriation or fund.
- (2) Serves as Army spokesperson for appropriation resources.

- (3) Helps resource claimants solve manpower and funding deficiencies.
- (4) Issues budget policy, instructions, and fiscal guidance.
- (5) During budget formulation—
  - (a) Bears responsibility for Probe updates.
  - (b) Prepares and justifies budget estimates.
- (6) Testifies before Congress during budget justification.
- (7) Manages financial execution of the appropriation and reprograms allocated funds to meet unforeseen contingencies during budget execution.

## **SECTION IV**

### **DOD PPBS SYSTEM DESCRIPTION**

#### **9-11. Purpose**

The DOD PPBS serves as the primary resource management system for the department's military functions. Its purpose is to produce a plan, a program, and finally the Defense budget. The system documents the program and budget as the FYDP.

#### **9-12. The Future Years Defense Program**

**a.** The FYDP officially summarizes forces and resources for programs developed within the DOD PPBS and approved by the SecDef. The FYDP specifies force levels and lists corresponding total obligation authority (TOA) and manpower. For example, in addition to historical data, the FYDP for the FY 2002-2003 Budget would, as shown in Figure 9-3:

- (1) Record totals for each resource group by—
  - (a) Prior fiscal year (PY), in this case FY 2000.
  - (b) Current fiscal year (CY), in this case FY 2001.
  - (c) Budget fiscal years (BY), in this case FY 2002-2003.
- (2) Extend TOA and manpower totals 4 years beyond the FY 2002-2003 Budget to FY 2007.
- (3) Extend force totals 7 years beyond the FY 2002-2003 Budget to FY 2010.

**b.** The FYDP comprises 11 major Defense programs. Figure 9-4 lists the programs together with Army subprograms and Army proponent agencies. Each program consists of an aggregation of PEs that reflect a DOD force or support mission. PEs identify specific activities, projects, or functions and contain the fiscal and manpower resources needed to achieve an objective or plan. PEs permit cross-Service analysis by OSD and congressional staff members.

**c.** HQDA submits the Army portion of the FYDP database to OSD 3 times a year. During odd years, it records the POM update.

(1) The first submission, generally forwarded in mid-May, records the position of the Army POM.

(2) The second submission, generally forwarded in mid-September, records the Army budget estimate submission (BES).

(3) The third submission, forwarded in mid-January, records the position of the President's Budget

d. For each FYDP position, OSD publishes a Summary and Program Element Detail volume on a CD ROM.

e. As prescribed by section 221, title 10, United States Code, (10 USC 221), OSD provides the President's Budget version to Congress.

f. OSD's Director of Program Analysis and Evaluation manages the program element data structure and serves as the approval authority for any changes to that structure. Beginning with the FY 2002-2007 POM, OSD is gradually replacing the nearly 40-year old FYDP database format with a new Defense Programming Database (DPD). Transition to the DPD over the next several PPBES cycles will seek to standardize budget and program data while consolidating many of the FYDP's currently required supplemental reports and annexes.

### 9-13. Key participants

DOD officials, assisting the Secretary of Defense as key participants in the PPBS, include the following:

a. **The Deputy Secretary of Defense (DepSecDef).** The DepSecDef assists the SecDef in overall leadership of the department. The DepSecDef exercises authority delegated by the SecDef and conducts the day-to-day operation of DOD. The DepSecDef manages the PPBS.

b. **The Chairman of the Joint Chiefs of Staff (CJCS).** The CJCS assists the President and SecDef in providing for the strategic direction of the armed forces. The CJCS serves as the principal military adviser to the President and SecDef. Shouldering responsibilities for planning, advising, and policy formulation, the CJCS participates in DOD's senior councils, by speaking for the Joint Chiefs of Staff (JCS) and the CINCs.

c. **The Vice Chairman of the Joint Chiefs of Staff (VCJCS).** During absences of the Chairman, the VCJCS, who is the second-ranking member of the Armed Forces, acts for the Chairman.

d. **The Service Secretaries.** The Service Secretaries convey the Service perspective on Defense matters to the SecDef and DepSecDef and, as key advisers, provide them with candid personal views.

e. **The Under Secretary of Defense (Acquisition, Technology, and Logistics) (USD(AT&L)).** The USD (AT&L) exercises responsibility for all matters relating to Defense acquisition, technology, and logistics and serves as the Defense Acquisition Executive (DAE).

**f. The Under Secretary of Defense (Policy) (USD(Policy)).** The USD (Policy) represents DOD on foreign relations and arms control matters and serves as the principal adviser to the DepSecDef for the PPBS planning phase.

**g. The Under Secretary of Defense (Comptroller and Chief Financial Officer) (USD(C)).** The USD(C) exercises responsibility for all budgetary and fiscal matters including DOD program analysis and evaluation and budget formulation and execution.

**h. The Under Secretary of Defense (Personnel and Readiness) (USD(P&R)).** The USD (P&R) exercises responsibility for all matters relating to total force management as it concerns readiness; National Guard and Army Reserve affairs; health affairs; training; and personnel requirements and management.

#### **9-14. Defense Resources Board**

**a.** The Defense Resources Board (DRB) assists the SecDef and DepSecDef in making major program decisions. The DepSecDef chairs the DRB with the CJCS serving as vice chairman. The DepSecDef designates other OSD principals to participate in deliberations as necessary. DRB members are as follows:

**(1)** From OSD: the Under Secretaries of Defense for Acquisition and Technology, Policy, Comptroller and Chief Financial Officer, and Personnel and Readiness.

**(2)** From the Joint Staff and Services: the VCJCS and Secretaries of the Military Departments, who normally are accompanied by Chiefs of Services.

**b.** Considering broad policy and developing guidance on high-priority objectives, the DRB helps promote long-range planning and stability in the Defense program.

**c.** Among other functions, the DRB—

**(1)** Reviews guidance for planning and programming.

**(2)** Evaluates high-priority programs.

**(3)** Considers the effect of resource decisions on baseline cost, schedule, and performance of major acquisition programs and aligns the programs with the PPBS.

**(4)** Helps tie the allocation of resources for specific programs and forces to national policies.

**(5)** Reviews the program and budget.

**(6)** Reviews execution of selected programs.

**(7)** Advises the SecDef on policy, PPBS issues, and proposed decisions.

**d.** When the DRB meets to deliberate major issues on DOD-funded intelligence programs, it expands to include representatives from appropriate intelligence agencies. The DepSecDef and Director of Central Intelligence co-chair this Expanded DRB (EDRB).

**e.** The OSD Director for Program Analysis and Evaluation acts as Executive Secretary for both the DRB and EDRB. In this capacity, the Director manages the program review process and, with the chairs of the EDRB, the intelligence program

review. The Director also manages the preparation of Program Decision Memoranda (PDM) and the intelligence PDM (IPDM) that reflect the SecDef's program decisions.

#### **9-15. Program Review Group**

**a.** The OSD Program Review Group (PRG) analyzes major issues identified by the DepSecDef and develops decision options during program review. It forwards issues sufficiently significant to warrant action by the Defense Resources Board (DRB) to that body for consideration. Supporting the endeavor, OSD principal staff assistants conduct a series of front end assessments (FEAs). As directed by the DRB, assessments address topics or decisions that will influence the next POM and subsequent program review. Prepared in coordination with representatives of the CJCS, Service chiefs, and other OSD principal assistants, the assessments are briefed to the PRG. As appropriate they are also briefed to the DepSecDef or DRB.

**b.** The Director for Program Analysis and Evaluation chairs the PRG. Adding other OSD principals to participate in sessions as appropriate, the PRG includes the following members:

**(1)** From OSD: the Principal Deputy Under Secretaries of Defense for Acquisition, Technology, and Logistics and for Comptroller and the Assistant Secretaries of Defense for Strategy and Threat Reduction, Command, Control, Communications and Intelligence (C3I), Force Management Policy, Health Affairs, and Reserve Affairs.

**(2)** From the Joint Staff: the Director for Force Structure, Resources, and Assessment (J8).

**(3)** From the Services: the Army Deputy Chief of Staff for Programs, the Deputy Chief of Naval Operations (Resources, Warfare Requirements and Assessments), the Marine Corps Deputy Chief of Staff (Programs and Resources), and the Air Force, Deputy Chief of Staff for Plans and Programs.

#### **9-16. Intelligence Program Review Group**

**a.** The Intelligence Program Review Group (IPRG) identifies opportunities to advance the U.S. Government's Intelligence Strategy. It evaluates potential program changes from a mission perspective, considers tradeoffs, and forwards issue analyses to the EDRB for consideration.

**b.** The Deputy Assistant Secretary of Defense (Programs and Evaluation) and the Executive Director for Intelligence Community Affairs co-chair the IPRG. Members include representatives of all executive branch organizations that manage or oversee intelligence capabilities.

#### **9-17. Defense Acquisition Board and Joint Requirements Oversight Council**

**a.** The Defense Acquisition Board (DAB) oversees Defense system acquisition, providing discipline through review of major programs. At each milestone in the system's life cycle, the Board assures that programs have met established performance requirements, including program-specific exit criteria. As chairman and vice chairman, respectively, the USD (Acquisition, Technology, and Logistics) and VCJCS direct the efforts of the DAB.

**b.** The USD (Acquisition, Technology, and Logistics), with the DAB and Joint Requirements Oversight Council (JROC) (below), helps link the acquisition process to planning, programming, and budgeting. Serving as a key adviser to the SecDef and DepSecDef, the USD (Acquisition, Technology, and Logistics) participates in all resource decisions affecting the baselines of major acquisition programs, including costs, schedules, and performance.

**c.** The VCJCS chairs the Joint Requirements Oversight Council (JROC). Through the Joint Warfighting Capability Assessment (JWCA) process and Joint Requirements Board (JRB), the JROC explores new alternatives by assessing joint military warfighting capabilities and requirements posed by the CINCs, Services, Joint Staff, and supported Defense agencies. The forum helps forge consensus underlying the Chairman's statutory advice to the SecDef on program and budget proposals. The JROC also helps the DAB and USD (Acquisition, Technology, and Logistics) articulate military needs and validate performance goals and program baselines at successive milestones of each DAB program.

## **SECTION V**

### **ARMY PPBES SYSTEM DESCRIPTION**

#### **9-18. Army's primary resource management system**

The PPBES serves as the Army's primary resource management system. A major decision-making process, the PPBES interfaces with joint strategic planning and with planning conducted by OSD. Linking directly to OSD programming and budgeting, the PPBES develops and maintains the Army portion of the Defense program and budget. The PPBES supports Army planning, program development, and budget preparation at all levels of command. Similarly supporting program and budget execution, it provides feedback to the planning, programming, and budgeting processes.

#### **9-19. PPBES concept**

**a.** The PPBES ties strategy, program, and budget all together. It helps build a comprehensive plan in which budgets flow from programs, programs from requirements, requirements from missions, and missions from national security objectives. The patterned flow from end purpose to resource cost defines requirements in progressively greater detail.

**b.** Long-range planning creates a vision of the Army 20 years into the future. In the 2- to 10-year midterm, long-range macro estimates give way to a specified size, composition, and quality of divisional and support forces. Derived from joint strategic planning and intermediate objectives to achieve long-range goals, this divisional and support force provides the planning foundation for program requirements.

**c.** In the midterm, guided by force requirements, the integrated program–budget process distributes projected resources. It seeks to support priorities and policies of the senior Army leadership while achieving balance among Army organizations, systems, and functions. For the 0- to 2-year near-term, the integrated process converts program requirements into budget requests for manpower and dollars. When enacted into

appropriations and manpower authorizations, these resources become available to carry out approved programs.

**d.** By formally adding execution to the traditional emphasis on planning, programming, and budgeting the Army emphasizes concern for how well program performance and financial execution apply allocated resources to meet the Army's requirements.

**e.** Documents produced within the PPBES support Defense decision-making, and the review and discussion that attend their development help shape the outcome. For example:

**(1)** The Army helps prepare the DPG and planning documents produced by the JSPS. Army participation influences policy, strategy, and force objectives considered by the SecDef and the CJCS, including policies for development, acquisition, and other resource-allocation issues.

**(2)** MACOM commanders, PEOs, PMs, and heads of other operating agencies similarly influence positions and decisions taken by the SECARMY and CSA. Commanders and heads of agencies develop and submit force-structure, procurement, and construction requirements; assessments; and data to support program and budget development. Through periodic commanders' conferences held by the CSA, they also make their views known on the proposed plan, program, and budget.

**(3)** The CINCs influence Army positions and decisions through MACOM commanders serving as Army service component command (ASCC) commanders, who integrate CINC operational requirements into their program and budget submissions. CINCs also highlight pressing requirements in an IPL that receives close review during program development.

## **9-20. PPBES objectives**

The main objective of the PPBES is to establish, justify, and acquire the fiscal and manpower resources needed to accomplish the Army's assigned missions in executing the National Military Strategy. Phase by phase objectives follow:

**a.** Through planning, to size, structure, man, equip, train, and sustain the Army force to support the National Military Strategy.

**b.** Through integrated programming and budgeting, to—

**(1)** Distribute projected manpower, dollars, and materiel among competing requirements according to Army resource allocation policy and priorities, making sure that requirements get resourced at defensible, executable levels.

**(2)** Convert resource allocation decisions into requests for congressional authorization and appropriations.

**c.** Through program execution, to apply resources to achieve approved program objectives, and adjust resource requirements based on execution feedback.

**d.** Through budget execution, to manage and account for funds to carry out approved programs.

**9-21. Control of planning, programming, and budgeting documents.**

**a.** Papers and associated data sponsored by the DOD PPBS give details of proposed programs and plans. The proposals often state candidate positions and competing options that remain undecided until final approval.

**b.** Access to such tentative material by other than those directly involved in planning and allocating resources would frustrate the candor and privacy of leadership deliberations. Moreover, access by private firms seeking DOD contracts would imperil competition and pose serious ethical, even criminal, problems for those involved. For these reasons, DOD closely controls documents produced through the DOD PPBS and its supporting databases. Thus, OSD restricts access to DOD and other governmental agencies directly involved in planning, programming, and budgeting Defense resources, primarily OMB.

**c.** Exceptions to the limitations described require SecDef approval. After coordination with the General Counsel, Army proponents may request an exception, but only for compelling need. Statutes and other procedures govern disclosure of information to Congress and the General Accounting Office (GAO).

**d.** The list that follows cites some of the major PPBS and related PPBES documents and material requiring restricted access.

**(1)** Planning phase: DPG.

**(2)** Programming phase:

**(a)** Fiscal Guidance.

**(b)** POM.

**(c)** FYDP documentation including FYDP annexes.

**(d)** Issue papers (for example, major issue papers, cover briefs).

**(e)** Proposed military department program reductions (or program offsets).

**(f)** Tentative issue-decision memoranda.

**(g)** Program decision memorandum (PDM).

**(3)** Budgeting phase:

**(a)** FYDP documents for the September BES and President's Budget, including procurement, research, development, test, and evaluation (RDT&E), and construction annexes.

**(b)** Program Budget Decisions (PBDs).

**(c)** Automated Program and Financing Statements generated by Probe.

**(d)** Reports generated by the automated Budget Review System (BRS).

**(e)** DD Form 1414 Base for Reprogramming.

**(f)** DD Form 1416 Report of Programs.

**(g)** Congressional data sheets.

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**SECTION VI**  
**RECORDING RESOURCES****9-22. The MDEP: what it is and how it's used**

**a.** The MDEP gives the Army a key resource management tool. Collectively, MDEPs account for all Army resources. They describe the capabilities programmed over a 9-year period for the Active Army, Guard, Reserve, and civilian work force.

**b.** Recording the resources needed to get an intended output, an individual MDEP describes a particular organization, program, or function and applies uniquely to one of the following six areas for resource management:

- (1) Missions of MTOE (modified tables of organization and equipment) units.
- (2) Missions of TDA (tables of distribution and allowances) units and Armywide standard functions.
- (3) Missions of standard installation organizations (SIOs).
- (4) Acquisition, fielding, and sustainment of weapon and information systems (with linkage to organizations).
- (5) Special visibility programs (SVPs).
- (6) Short term projects (STPs).

**c.** In short, the MDEP—

- (1) Specifies the military and civilian manpower and dollars associated with a program undertaking.
- (2) Displays needed resources across relevant Army commands and relevant appropriations.
- (3) Justifies the resource expenditure.

**d.** HQDA uses the MDEP to help—

- (1) Determine military requirements.
- (2) Develop programs to support the requirements.
- (3) Carry out approved programs.
- (4) Check program results.

**e.** HQDA uses the MDEP to link decisions by the SECARMY and CSA and their priorities to—

- (1) FYDP accounts that record Service positions in OSD.
- (2) AMS accounts that record funding transactions in Army activities and installations.

**f.** HQDA uses the MDEP also to link the Probe database with other key systems, such as—

- (1) SAMAS and TAADS.

(2) The Army Training Requirements and Resources System (ATRRS) whose product, the Army Program for Individual Training (ARPRINT), shows valid training requirements and associated training programs.

(3) Depot maintenance programs.

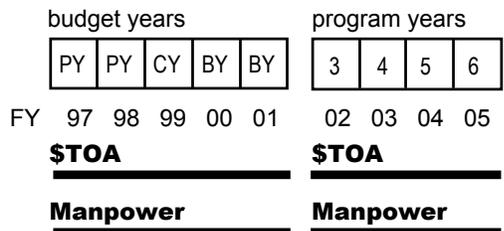
g. For investment accounts, managers for construction, RDT&E, and procurement first allocate program and budget resources by Army management structure code (AMSCO), PE, project number, BLIN. They then distribute the resources to MDEPs within the six resource management areas, listed above.

**9-23. Program and budget years covered by the MDEP**

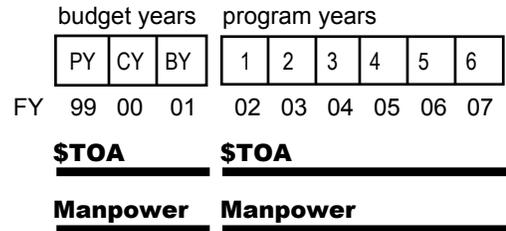
a. The MDEP records manpower and total obligation authority over the 9 fiscal years needed to display the program and budget. Which program year or which budget year each fiscal year addresses, depends on whether interest in the MDEP centers on the program or budget. Figure 9-5 shows the fiscal year structure of an MDEP applying to the President’s FY 00-01 budget.

b. The MDEP shifts 2 years forward in the even (or biennial POM submission) year. At the start of the cycle for the next biennial POM, Probe (paragraph 9-27a, below) drops the 2 earliest years from the database and adds 2 new years. Thus, for the FY 2002-2007 POM, the MDEP would then display the 6 years of the new program period and the 3 preceding years (Figure 9-6). The first of the preceding years is the prior fiscal year (PY). It records resources spent in executing the budget the year before the current fiscal year (CY). The CY shows resources in the budget being executed. The last preceding year is called the budget year (BY). It lists resources requested in the President’s Budget being reviewed by Congress.

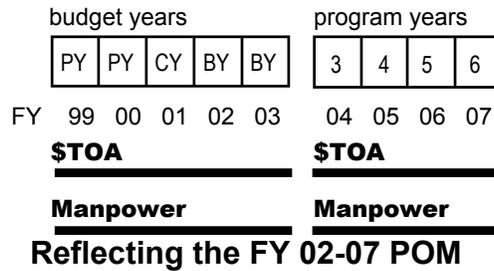
c. Another shift occurs the next odd year (the year in which the President submits the next 2-year Defense budget). The shift leaves each year’s resources intact but changes their relative position in the program or budget process as shown in Figure 9-7. For the FY 2002-2003 budget, budget years 99 and 00 both become prior years; budget year 01 becomes the current year; and the first 2 program years become budget years 02 and 03. The last 4 years (years 04 through 07) remain program years.



**Figure 9-5. Fiscal Year Structure of Resources in an MDEP Reflecting the FY 00-01 Budget**



**Figure 9-6. Fiscal Year Structure of Resources in an MDEP**



**Figure 9-7. Fiscal Year Structure of Resources in an MDEP Reflecting the FY 02-03 Budget**

**9-24. Extent that manpower and dollars can be redistributed in the MDEP**

a. The MDEP, as just described, has both a budget and program increment. The two parts differ primarily by the flexibility the Army has with manpower and funds.

b. In the program or POM years, HQDA restricts military manpower by total end strength and civilian manpower by work years rather than by appropriation. Similarly, HQDA restricts program dollars only by total obligation authority (TOA), not by individual appropriation. The distinctions allow redistributing previously programmed manpower and dollars to meet changing requirements. In later POM or budget submissions, for example, HQDA can, as needed, move program year resources between MDEPs, appropriations, and program elements (PEs).

c. Once HQDA sends the BES to OSD, OSD must approve any changes to manpower and dollars. Even tighter controls govern the redesignation of manpower and funding in the budget years after the President’s Budget has gone to Congress.

(1) HQDA can redistribute previously budgeted manpower and dollars between MDEPs or commands and agencies but must leave budget manpower and dollars unchanged until current year appropriations become law.

(2) Some flexibility during execution permits financing unbudgeted requirements to meet unforeseen needs or changes in operating conditions. Even so, congressional rules and specified dollar thresholds severely restrict spending for purposes other than those originally justified and approved. In addition, during execution, HQDA can transfer military and civilian manpower within appropriations without a corresponding transfer of funds, but not between MACOMs.

### 9-25. How flexibility affects the MDEP

**a. Frequent change in MDEP resources.** Competition at each stage of program development and budget formulation can produce frequent change in an MDEP's resource levels. Decisions resulting from OSD review of the POM and BES will further change amounts initially approved. Sometimes decisions may even affect requests in the President's Budget already before Congress. Authorization and appropriation decisions by Congress often change amounts requested in the President's Budget. Budget execution sometimes results in different rates and quantities of expenditure from those planned, and, at times, it results in different purposes.

**b. Keeping MDEP resources current.** Functional proponents continually update MDEPs through their respective feeder systems to reflect the position of the last program or budget event. The kinds of changes described require that resource managers continually weigh how the stream of program and budget actions affect the MDEP and how a change in the program year or budget year portion of the package may affect the out years. Managers continually ask, "In what ways do the changes—

- (1) Alter MDEP resource levels?
- (2) Shift resources between years?
- (3) Affect resources in related MDEPs?"

### 9-26. Resource recording structures

**a. Future Years Defense Program.** As mentioned, the FYDP accounts for the total of all resources programmed by the DOD. Using OSD program elements, DOD apportions decisions on dollars and manpower among the FYDP's 11 major force programs.

**b. Army management structure.** AMS serves as a second major resource recording structure. Based on congressional appropriations, the AMS relates program dollars and manpower to a standard classification of activities and functions per Defense Finance and Accounting Service-Indiana (DFAS-IN) Manual 37-100-\*\* (where \*\* stands for the current fiscal year, e.g., 01 or FY 2001). AMSCOs help record the data in the detail needed for budgeting, execution, and accounting.

**c. Other structures.** Other fiscal management structures include the 0-1 level budget activity structure for operation and maintenance appropriations shown in Table 9-6 at chapter end. Other structures also include standard study numbers (SSN) and BLIN for weapon systems, and project numbers for military construction.

### 9-27. Automated support

Various automated data systems support the PPBES. First among these is the PPBES Data Management System (Probe). Others include the Resource Formulation System (RFS), the Army RDA Budget Update Computer System (ARBUCS), and SAMAS.

#### a. Probe.

(1) HQDA uses the MDEP to record data in Probe. Probe gathers, organizes, and records the 9 years of programming and budgeting resource data used in the PPBES

process. Probe data make up the official database of record for Army resources. Hence, the term Probe has become synonymous with the Army's program and budget data- base.

(2) Originating mainly in HQDA and MACOM information systems, resource data enter Probe using MDEP-AMSCO keys. The MDEP records manpower and dollars by appropriation, AMSCO, and other identifiers and lists the data by command or resource organization. For investment accounts, the MDEP also records the data by OSD PE, project number, BLIN. HQDA uses Probe to—

- (a) Build and record the Army program and budget.
- (b) Prepare the Army portion of the FYDP to reflect the biennial POM, BES, and the President's Budget.
- (c) Prepare after each FYDP update the FYDP resource position distributed electronically over the internet to Army commands as Program and Budget Guidance (PBG).

**b. Army PPBES Strategic Automation Plan.**

(1) Already under way, the HQDA PPBES Strategic Automation Plan will replace the Probe database over years 2001 and 2002 with a system of greater utility to Probe users and the senior Army leadership. Among its improvements, the follow-on system will consolidate appropriation data from RFS (managed by ASA(FM&C)), procurement quantity information from ARBUCS (managed by ASA(ALT)) and manpower information from SAMAS (managed by DCSOPS). The follow-on system will also provide—

- (a) An advanced Program Analysis and Evaluation (PAE) Web Site for managing the most dynamic of system data elements for use by all PPBES databases.
- (b) A web-enabled official database that consolidates proponent-prepared program and budget data exhibits for approval and direct submission to OSD.

(2) One early step occurred in 2000, when the Army installed the SSN-LIN Automated Management and Integrating System (SLAMIS). Adding significantly to PPBES automation, SLAMIS automatically coordinates changes to acquisition data elements from the PAE Web Site. Then, reaching beyond the HQDA Staff to Item Materiel Managers, SLAMIS and related systems will, over time, link dollar and manpower decisions to the fielding of new equipment in units. Further development and integration of formerly separate automation systems will improve the accuracy of programming and budgeting of major weapon systems by—

- (a) Identifying candidate requirements for weapon systems recapitalization.
- (b) Tracking funding and modifications by serial number.
- (c) Collecting mileage and cost data.

## SECTION VII

### PPBES DELIBERATIVE FORUMS

#### 9-28. Army Resources Board

a. The Army Resources Board (ARB) is chaired by the SECARMY with the CSA as the vice chair. The board serves as a senior Army leadership forum, through which the SECARMY and CSA review Army policy and resource allocation issues, particularly those emanating from the PPBES. It sets policy and approves guidance and priorities. The ARB approves the prioritization of Army programs and selects resource allocation alternatives. In addition, on their completion, it approves TAP, POM, and budget submissions to OSD and Congress. ARB membership includes:

(1) *From the Secretariat.* The Under Secretary of the Army (USA) and Assistant Secretaries for Acquisition, Logistics, and Technology; Financial Management and Comptroller; Installations and Environment; Manpower and Reserve Affairs; and General Counsel.

(2) *From the Army Staff.* The VCSA, DCSOPS, and DCSPRO.

b. The Assistant DCSOPS (ADCSOPS), DPAE, and Deputy Assistant Secretary of the Army (Budget) (DASA(B)) attend ARB meetings as advisors. Also attending are the ARB Executive Secretary designated by ASA(FM&C) and other participants as needed.

#### 9-29. Senior Review Group

a. Co-chaired by the Under Secretary of the Army (USA) and Vice Chief of Staff, Army (VCSA) the Senior Review Group (SRG) serves as a senior level forum to resolve resource allocation and other issues but generally does not revisit decisions made at lower levels.

b. The SRG monitors staff implementation of decisions of the ARB and makes recommendations to the ARB on:

(1) The prioritization of programs.

(2) Resource alternatives.

(3) Final TAP, program, and budget.

(4) Other issues as determined by the USA and VCSA.

c. SRG membership includes:

(1) *From the Secretariat.* The Assistant Secretaries of the Army for Civil Works; Acquisition, Logistics, and Technology; Financial Management and Comptroller; Installations and Environment; Manpower and Reserve Affairs; the General Counsel; and the Director of Information Systems for Command, Control, Communications, and Computers (DISC4).

(2) *From the Army Staff.* The DCSINT, DCSLOG, DCSOPS, DCSPER, DCSPRO, Assistant Chief of Staff for Installation Management (ACSIM), CAR, and DARNG.

d. The ADCSOPS, DPAE, and DASA(B) attend SRG meetings as advisors. Also attending are the SRG Executive Secretary designated by ASA(FM&C) and other participants as needed.

### **9-30. Planning Program Budget Committee**

a. The Planning Program Budget Committee (PPBC) is co-chaired by the ADCSOPS, DPAE, and DASA(B), each presiding depending on the subject.

b. The PPBC serves the PPBES in both a coordinating and executive-advisory role. It provides a continuing forum in which planning, program, and budget managers review, adjust, and recommend courses of action on relevant issues. The PPBC helps make sure that Army policy remains internally consistent and that program adjustments remain consistent with Army policy and priorities.

c. The PPBC may return the results of committee deliberations to the Army Staff or Secretariat for action. It may pass them, in turn, to the SRG and ARB for review or approval.

d. The PPBC may set up standing committees or working groups to resolve issues that arise in managing the program or budget. An example of a standing committee is the Project Review Board (PRB), which addresses construction requirements.

e. Helping to maintain an open dialogue between the Secretariat and Army Staff, PPBC members consist of a balanced group of officials responsible for planning, programming and budgeting:

(1) *From the Secretariat.* Representatives of the Assistant Secretaries for Acquisition, Logistics, and Technology; Civil Works; Financial Management and Comptroller; Installations and Environment; and Manpower and Reserve Affairs as well as the Administrative Assistant to the Secretary of the Army (AASA) and DISC4.

(2) *From the Army Staff.* Representatives from the DCSINT, DCSLOG, DCSOPS, DCSPER, ACSIM, Surgeon General, CAR, and DARNG.

f. Representatives attending without vote include a representative from the Deputy Under Secretary of the Army (International Affairs) (DUSA(IA)), the Director of Investment and Director of Operations and Support from ASA(FM&C), the Director of Force Development from DCSPRO, and the Director of Training from DCSOPS.

### **9-31. Council of Colonels**

A group of colonels or civilian equivalents, who represent PPBC members, meet throughout the PPBES process in a forum known as the Council of Colonels. The Council is co-chaired by the Chief, Resource Analysis and Integration Office, DCSOPS; Chief, Program Development Division, Program Analysis and Evaluation Directorate; and Deputy Director of Management and Control, ASA(FM&C). The group packages proposals, frames issues, and otherwise coordinates matters that come before the PPBC when it convenes.

### 9-32. Program Evaluation Groups

HQDA uses six PEGs to support planning, programming, and budgeting (Table 9-1). Each is co-chaired by a representative of the Secretariat and a representative of the Army Staff, who also provides the PEG with executive and administrative support. Permanent members include representatives of ASA(FM&C), DCSOPS, and DPAE.

a. PEGs program and monitor resources to perform Army functions assigned by Title 10, United States Code and support OSD-assigned executive agencies and the CINCs. Each administers a set of MDEP within one of the following functional groupings: Manning, Training, Organizing, Equipping, Sustaining, and Installations.

b. Each PEG sets the scope, quantity, priority, and qualitative nature of resource requirements that define its program. It monitors PEG resource transactions and, as required, makes both administrative and substantive changes to assigned MDEPs. MDEP proponents, subject matter experts, and, as appropriate, representatives of commands and agencies participate in PEG deliberations.

c. The DARNG, CAR, and DISC4 serve as program integrators to the PEGs (Table 9-2). Program Integrators provide technical assistance and monitor actions to integrate priorities and statutory, Defense, and Army requirements for the ARNG, USAR and information technology programs into the Army's overall program.

d. PEGs, assisted by the program integrators, help HQDA functional proponents:

- (1) Build TAP and the Army program and help convert the program into budget-level detail.
- (2) Maintain program consistency, first during planning and later when preparing, analyzing, and defending the integrated program-budget.
- (3) Track program and budget performance during execution.
- (4) Keep abreast of policy changes during each phase of the PPBES process.

## SECTION VIII PROCESS AND STRUCTURE

### 9-33. System process

Beginning with the planning phase for PPBS, the following sections present a phase-by-phase description of the PPBS/PPBES. This description is represented graphically in Figures 9-8 and 9-9. Figure 9-8 (folded insert) shows the general sequence and interrelationship of events of the biennial cycle of the PPBS/PPBES. Note that the PPBES differs from the PPBS in two ways. First, unlike the PPBS, the Army system merges the programming and budgeting phases into a single, integrated programming-budgeting phase. Next, the PPBES adds execution as a distinct system phase.

### 9-34. System structure

Figure 9-9 displays the structure within which the PPBES operates. Table 9-3 explains the acronyms in the figure.

**Table 9-1. Title 10 Program Evaluation Groups**

<p><b>Manning (MM)</b>  <b>Co-chaired by ASA (M&amp;RA) and DCSPER</b>                  Provides the Active Army, ARNG, and USAR with authorized personnel by grade and skill. Integrates these activities for the ARNG and USAR.</p> <p><b>Training (TT)</b>  <b>Co-chaired by ASA (M&amp;RA) and DCSOPS</b>                  Provides resources for Active Army, ARNG, and USAR unit readiness (to include medical units) and unit and collective training (Ground OPTEMPO and the Army Flying Hour Program), fixed wing aircraft operation and maintenance, combat training centers (CTCs), mobilization, engagement activities, and military contingency operations.                  Provides for collective training, institutional training (initial entry training, leader development, professional development, functional training), and officer acquisition (USMA, ROTC, OCS). Supports multinational force compatibility through integrated training, military exercises, and command and control exchanges with allies and coalition partners.                  Deals with programs, systems, and activities to satisfy intelligence requirements of the National Command Authorities (NCA) and senior Army leadership—requirements funded in the Army portions of the NFIP under Program 3I and Army intelligence support to national agencies under Program 9. (The Equipping PEG addresses most requirements for Tactical Intelligence and Related Activities (TIARA) managed by DCSPRO–FD under Programs 2, and 4 through 10 and acquisitions to meet other intelligence and electronic warfare (IEW requirements.)</p> <p><b>Organizing (OO)—</b>  <b>Co-chaired by ASA (M&amp;RA) and DCSOPS</b>                  Provides resource objectives to establish Operating Force Structure and Generating Direct Support Force Structure.                  Establishes Operating Forces and Generating Direct Support Forces to meet wartime requirements of the NMS per DPG illustrative planning scenarios.                  Provides minimum essential Generating Forces for peacetime sustainment and training and wartime mobilization and power projection capabilities for Army Operating Forces.                  Supports special programs that meet needs of The Army.                  Resources the majority of the civilian workforce that carries out the Army’s portion of the NMS.</p>	<p><b>Equipping (EE)</b>  <b>Co-chaired by ASA (ALT) and DCSPRO</b>                  Provides resources for the integration of new doctrine, training, organization, and equipment to develop and field warfighting capabilities for the Active Army, ARNG, and USAR. Focuses mainly on materiel acquisition, which comprises RDTE and procurement of weapons and equipment.                  Considers operating and support costs to field weapons and equipment as well as the cost of combat development.</p> <p><b>Sustaining (SS)</b>  <b>Co-chaired by ASA (ALT) and DCSLOG</b>                  Provides resources to sustain operations of the Active Army, ARNG, and USAR, stressing worldwide readiness. Scope embraces strategic mobility, Army reserve stocks, industrial preparedness, and central supply, and also internal operations of Army depots and arsenals, procurement of secondary item Army reserves, and transportation. Includes depot materiel maintenance.                  Includes measures to assure the quality and timeliness of sustainment resources and to develop and maintain strategic logistics systems, manage weapon systems, provide security assistance, conduct logistics long-range planning, and reshape Army logistics.                  Addresses measures to streamline Army business operations, improve information management structure, and develop concepts of operations and procedures to further the integration, sharing, standardization, and interoperability of information systems.</p> <p><b>Installations (II)</b>  <b>Co-chaired by ASA (I&amp;E) and ACSIM</b>                  Provides resources to maintain services and infrastructure to support installations as power projection platforms. Plans and programs for installations services that minimize migration of resources into Base Support. Provides housing for military personnel and their families.                  Scope embraces Real Property Maintenance (RPM) funding to maintain facilities and covers measures to comply with environmental laws and the exercise of good stewardship of natural and cultural resources. Scope includes installation quality of life programs to ensure soldier morale, retention, readiness, and family support.                  Supports measures to establish and maintain information systems, communications, and audio-visual infrastructure to support power projection platforms and logistical sustainment base operations.                  Makes sure within assigned responsibilities that programs to maintain a trained and ready force receive appropriate civilian support staffing per statutory guidance.</p>
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**Table 9-2. Program Integrators****Army National Guard (NG)—DARNG**

Provides technical assistance to Title 10 PEGs and monitors actions to integrate into The Army program the statutory, Defense, and Army requirements of the Army National Guard.

Tracks ARNG program performance during budget execution.

**U.S. Army Reserve (AR)—CAR**

Provides technical assistance to Title 10 PEGs and monitors actions to integrate into The Army program the statutory, Defense, and Army requirements of U.S. Army Reserve.

Tracks USAR program performance during budget execution.

**Information Technology (IT)—DISC4**

Provides technical assistance to Title 10 PEGs and monitors actions to integrate information technology requirements into the Total Army program.

Makes sure that information technology requirements comply with the Army Enterprise Architecture (AEA).

Tracks program performance for information technology issues during budget execution.

## SECTION IX PPBS PLANNING PHASE

**9-35. Planning by OSD and the Joint Staff**

Drawing on guidance from the National Security Council (NSC), OSD policy and resource planning and Joint Staff strategic planning make up PPBS planning. PPBS planning examines the military posture of the United States in comparison with national security objectives and resource limitations. It develops the National Military Strategy, and it identifies force levels to achieve the strategy. In addition, PPBS planning provides a framework of requirements, priorities, and risk. OSD uses the framework to give each CINC the best mix of forces, equipment, and support attainable within defined fiscal constraints.

**9-36. NSC guidance**

The National Security Strategy (NSS) set by the National Security Council (NSC) bears importantly on the PPBS process. Also bearing on the process are two sets of NSC documents. Presidential Decision Directives (PDDs) promulgate presidential decisions implementing national security policy and objectives in all areas involving national security. Presidential Review Directives (PRDs) direct studies involving national security policy and directives.

**9-37. Joint strategic planning**

a. Led by the Joint Staff, joint strategic planning examines the global security situation. It develops National Military Strategy to achieve national security objectives and sets related force requirements. It also prepares strategic and contingency plans, prepares supporting joint logistics and mobility plans, and conducts capability assessments.

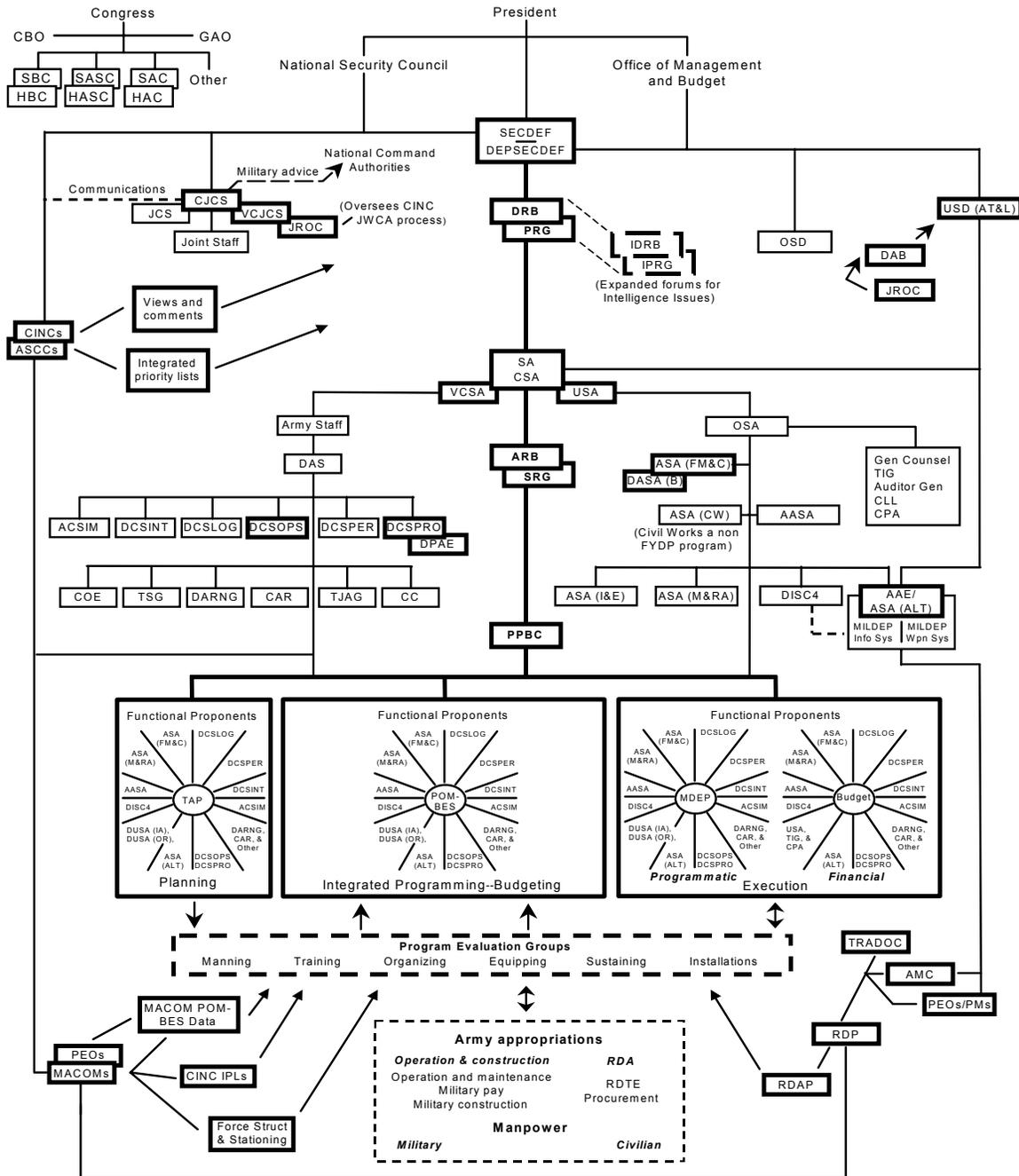


Figure 9-9. PPBES Framework

**Table 9-3. Legend for Figure 9-9.**

**Note.** Bold structure lines in the diagram link decision makers and deliberative forums with key events and contributing commands and other operating agencies.

<i>Acronym</i>	<i>Definition</i>	<i>Acronym</i>	<i>Definition</i>
<b>AAE</b>	Army Acquisition Executive	<b>FYDP</b>	Future Years Defense Program
<b>AASA</b>	Administrative Assistant to the Secretary of the Army	<b>GAO</b>	General Accounting Office
<b>ACSIM</b>	Assistant Chief of Staff Installation Management	<b>Gen</b>	General
<b>AMC</b>	Army Materiel Command	<b>HAC</b>	House Appropriations Committee
<b>ARB</b>	Army Resources Board	<b>HASC</b>	House Armed Services Committee
<b>ASA</b>	Assistant Secretary of the Army	<b>HBC</b>	House Budget Committee
<b>ASA (ALT)</b>	ASA (Acquisition, Logistics, and Technology)	<b>Info</b>	Information
<b>ASA (CW)</b>	ASA (Civil Works)	<b>IPRG</b>	Intelligence Program Review Group
<b>ASA (FM&amp;C)</b>	ASA (Financial Management & Comptroller)	<b>JCS</b>	Joint Chiefs of Staff
<b>ASA (I&amp;E)</b>	ASA (Installations & Environment)	<b>JROC</b>	Joint Requirements Oversight Council
<b>ASA (M&amp;RA)</b>	ASA (Manpower & Reserve Affairs)	<b>MACOM</b>	Major Army command
<b>ASCC</b>	Army Service Component Command	<b>MDEP</b>	Management Decision Package
<b>AVCSA</b>	Assistant VCSA	<b>MILDEP</b>	Military deputy
<b>BES</b>	Budget Estimate Submission	<b>OSA</b>	Office of the Secretary of the Army
<b>CAR</b>	Chief, Army Reserve	<b>OSD</b>	Office of the Secretary of Defense
<b>CBO</b>	Congressional Budget Office	<b>PEO</b>	Program Executive Office(r)
<b>CC</b>	Chief of Chaplains	<b>PM</b>	Project or Program Manager
<b>CINC</b>	Commander in Chief, Combatant Command	<b>POM</b>	Program Objective Memorandum
<b>CJCS</b>	Chairman, Joint Chiefs of Staff	<b>PPBC</b>	Planning Program Budget Committee
<b>CLL</b>	Chief, Legislative Liaison	<b>PPBES</b>	Planning, Programming, Budgeting, and Execution System
<b>COE</b>	Chief of Engineers	<b>Pri</b>	Priority
<b>CPA</b>	Chief of Public Affairs	<b>PRG</b>	Program Review Group
<b>CSA</b>	Chief of Staff, Army	<b>RDAP</b>	Research, Development, and Acquisition Plan
<b>DAB</b>	Defense Acquisition Board	<b>RDP</b>	Army Requirements Determination Process
<b>DARNG</b>	Director Army National Guard	<b>RDTE</b>	Research, Development, Test, and Evaluation
<b>DAS</b>	Director of the Army Staff	<b>SA</b>	Secretary of the Army
<b>DASA (B)</b>	Deputy Assistant Secretary for Army Budget	<b>SAC</b>	Senate Appropriation Committee
<b>DCS</b>	Deputy chief of staff	<b>SASC</b>	Senate Armed Services Committee
<b>DCSINT</b>	DCS for Intelligence	<b>SBC</b>	Senate Budget Committee
<b>DCSLOG</b>	DCS for Logistics	<b>SECDEF</b>	Secretary of Defense
<b>DCSOPS</b>	DCS for Operations and Plans	<b>SRG</b>	Senior Review Group
<b>DCSPER</b>	DCS for Personnel	<b>Struct</b>	Structure
<b>DCSPRO</b>	DCS for Programs	<b>Sys</b>	System
<b>DEPSECDEF</b>	Deputy SECDEF	<b>TAP</b>	The Army Plan
<b>DISC4</b>	Director of Information Systems for Command, Control, Communications, and Computers	<b>TIG</b>	The Inspector General
<b>DPAE</b>	Director of Program Analysis and Evaluation	<b>TJAG</b>	The Judge Advocate General
<b>DUSA (IA)</b>	Deputy Under Secretary of the Army (International Affairs)	<b>TRADOC</b>	US Army Training and Doctrine Command
<b>DUSA (OR)</b>	Deputy Under Secretary of the Army (Operations Research)	<b>TSG</b>	The Surgeon General
<b>DRB</b>	Defense Resources Board	<b>USA</b>	Under Secretary of the Army
<b>EDRB</b>	Expanded Defense Resources Board	<b>USD</b>	Under Secretary of Defense (Acquisition, Technology, and Logistics)
		<b>(AT&amp;L)</b>	Technology, and Logistics)
		<b>VCJCS</b>	Vice Chairman, Joint Chiefs of Staff
		<b>VCSA</b>	Vice Chief of Staff, Army

**b.** Joint strategic planning helps the CJCS discharge the functions prescribed by 10 USC 153(a) and 10 USC 163(b)(2). Specifically, joint strategic planning underlies the military advice the Chairman gives to help the President and SecDef:

- (1) Provide strategic direction to the armed forces.
- (2) Form Defense policy, programs, and budgets.

**c.** Joint strategic planning involves each of the Joint Staff directorates and the Defense Intelligence Agency. Moreover, joint strategic planning entails close consultation with the Services, combatant commands, and supported Defense agencies. It evaluates risks and threats. It assesses the current strategy and existing or proposed programs and budgets.

### **9-38. Joint Strategic Planning System (JSPS).**

Joint strategic planning takes place within the context of the JSPS. JSPS continuously reviews the national military environment and capability to meet national security objectives through a Joint Strategy Review (JSR) and Joint Net Assessment (JNA) process.

**a. Joint Strategy Review.** The JSR lies at the core of the JSPS. The review helps the Joint Staff integrate strategy, operational planning and program assessments.

(1) The JSR provides the primary means for the Chairman, in consultation with the CINCs, Services, and Defense agencies, to analyze strategic concepts and issues relevant to strategy formulation. The JSR process continuously gathers information through the examination of current, emerging, and future issues related to threats, strategic assumptions, opportunities, technologies, organizations, doctrinal concepts, force structures, and military missions.

(2) A continuous process, the JSR assesses the global strategic setting for issues affecting the National Military Strategy, producing JSR issue papers and, at the start of the calendar year, the JSR annual report. In this process, the Joint Staff, with the Services, combatant commands, and supported Defense agencies, develops issue papers highlighting how changed conditions affect current strategy. Key judgments, if not earlier acted on, appear in the next JSR annual report. Provided to the CJCS, Chiefs of Services, and CINCs, the report, when approved by the Chairman, becomes guidance for maintaining or revising the *Joint Vision 2020*, the National Military Strategy (NMS), and other JSPS products.

### **b. Joint Net Assessment (JNA).**

(1) The JNA provides the means to assess force strengths and deficiencies and how they affect U.S. ability to meet national security objectives. Closely involving the CINCs and other members of the JCS, the JNA compares Defense capabilities and programs of the United States and its Allies with those of potential adversaries.

(2) The JNA process develops a net assessment every 4 years, which the CJCS provides to the SecDef. Using a risk evaluation force, it projects U.S. and allied capabilities at the end of the FYDP period against capabilities reasonably available to potential adversaries. The results help evaluate current strategy and the development of

alternative force structures and strategies. Supporting the JSR between quadrennial assessments, the JNA reviews significant changes in emerging threats and the national security environment to evaluate the capability of U.S. forces to achieve current NMS objectives.

### **9-39. JSPS documents and plans**

The JSPS yields a number of principal products. The products help the joint community relate strategic planning to both the Joint Operational Planning and Execution System (JOPES) and PPBS. Shown in Figure 9-8 (folded insert), they are described below.

**a. Chairman's Guidance.** The Chairman's Guidance (CG) provides a common set of assumptions, priorities, intent, and critical planning factors for developing strategies and plans. Often accompanying the conduct of the JSR, preparation of the Joint vision, and drafting of a new NMS, the CG usually forms an integral part of strategy development. When necessary, it may appear as a separate document.

**b. Joint vision.** Prepared as required, *Joint Vision 20xx* presents a long-range conception of emerging threats, technologies, and global changes and how they will affect military operations. Implementing the vision transforms its concepts into requirements and capabilities of the future force. Their achievement leads to corresponding changes in doctrine, force structure, materiel, personnel programs, and training.

#### **c. National Military Strategy.**

**(1)** The CJCS approves and issues the NMS. The strategy advises the SecDef, and after SecDef review, the President and NSC on the strategic direction of the armed forces. A standing document changed when needed, the NMS applies to program years, 2-8 years in the future. Drawing from the strategic guidance contained in the President's NSS, the NMS—

**(a)** Summarizes the global strategic setting from the JSR.

**(b)** Discusses potential threats and risks.

**(c)** Recommends military foundations and strategic principles to support national security objectives.

**(d)** Provides a strategy and force levels that conform with fiscal guidance of the National Command Authorities (NCA).

**(2)** Strategic direction from the NMS underlies the Joint Planning Document (JPD) and Joint Strategic Capabilities Plan (JSCP).

#### **d. Joint Planning Document (JPD).**

**(1)** The JPD derives from the NMS. Prepared by the Joint Staff with the Service Chiefs and the CINCs, the document reflects the Chairman's planning guidance based on the Joint vision and strategic objectives outlined in the NMS and JSCP. The JPD helps the SecDef prepare the DPG, which it precedes by about 6 months. It also informs the Joint Requirements Oversight Council (JROC) and supporting Joint Warfighting Capability Assessment (JWCA) process of the programmatic direction and priorities of

the Chairman and helps the Chairman develop further programming advice for the SecDef.

(2) The JPD consists of a cover letter and individual chapters corresponding to the related JWCA prepared by the Joint Staff. Each chapter advises on requirements and programming priorities in a specific functional area.

**e. Joint Strategic Capabilities Plan.** The JSCP underlies the capabilities-based military advice the CJCS gives the President and SecDef. Another standing document, the JSCP, undergoes revision as needed, receiving formal review early each even year. Covering the 2-year, near-term planning period, the JSCP—

(1) Gives strategic guidance to the CINCs, JCS members, and heads of Defense agencies.

(2) Apportions major combat forces, strategic lift, and pre-positioned assets to the CINCs for their incorporation in deliberate planning.

(3) Tasks the CINCs to develop major and lesser regional plans to employ the force resulting from completed program and budget actions.

**f. CINC theater engagement plan.**

(1) The CINC theater engagement plan (TEP) links planned regional engagement activities with national strategic objectives. It details the type and scope of activities to support the strategy of a geographic CINC or executive agent for the assigned theater or designated country.

(2) Covering the year of execution and the next 7 seven years, plan development proceeds in four phases. The first phase conveys planning guidance via the JSCP. The second phase produces the following April a strategic concept for regional engagement. The third phase synchronizes supporting and coordinating plans. This phase produces a TEP approved by the CINC or Executive Agent and results in activity annexes published annually in October detailing the type and scope of engagement activities. The fourth phase subjects the approved TEP to a national level review and subsequent integration into the Global Family of Theater Engagement Plans.

**g. Chairman's Program Recommendation.** Presented before publication of the DPG, the Chairman's Program Recommendation (CPR) compares planning guidance and objectives with current and projected resource profiles from the most recent President's Budget and related FYDP. The CPR focuses on recommendations that will enhance joint readiness, promote joint doctrine and training, and better satisfy joint warfighting requirements. As needed, it expands, refines, or modifies initial recommendations provided in the JPD.

**h. Chairman's Program Assessment.** The Chairman's Program Assessment (CPA) checks the balance and capabilities of composite force and support levels recommended by Service Program Objective Memorandums (POMs). It compares recommended capabilities and levels with priorities established by the SecDef. The document helps the SecDef make decisions reflected in PDMs and, later, during budget review.

**9-40. OSD planning products**

Two SecDef documents influence products of the JSPS. One is DPG; the other is Contingency Planning Guidance (CPG).

**a. Defense Planning Guidance.**

(1) The SecDef places responsibility and authority for program execution with the Services and other DOD components but maintains central direction. The principal product of the OSD planning phase, DPG serves this central purpose. The document presents the Defense strategy that underlies DOD plans and programs and identifies key planning and programming priorities to carry it out. OSD issues the DPG in the even year before POM preparation and normally provides an update for off-cycle program development.

(2) The *Government Performance and Results Act of 1993* (GPRA) requires that DOD and most other Federal agencies submit to the Office of Management and Budget and to the Congress a strategic plan for agency program activities. DOD meets the need using the Quadrennial Defense Review (QDR). The DPG incorporates DOD corporate goals reflecting the QDR.

**b. Contingency Planning Guidance.** CPG provides the CJCS written policy guidance for preparing and reviewing contingency plans. Focusing NMS and DPG guidance on contingency planning, the CPG bears directly on the JSCP. The SecDef prepares the document annually in coordination with the Joint Staff. Then, on approval by the President, the SecDef provides guidance to the Chairman.

**SECTION X****PPBES PLANNING****9-41. The Army Plan**

**a.** Army planning responds to and complements OSD planning and joint strategic planning. In particular, Army planning:

- (1) Helps the senior Army leadership determine force requirements and objectives and set priorities.
- (2) Provides the basis for positions and comments supporting Army participation in OSD and joint processes.
- (3) Lays the planning basis for the Army program.

**b.** The foundation of Army planning lies in the TAP, which is developed in three stand-alone, yet interrelated, sections:

- (1) The Army Strategic Planning Guidance (ASPG), which forms section I of the TAP—
  - (a) Relates Army planning to National, OSD, and Joint strategic guidance.
  - (b) Gives rationale for transforming the Army per The Army vision then in force.
  - (c) Provides leader guidance.

(2) Army Planning Guidance (APG), which is section II of the TAP, links requirements to strategy and guides development of resource priorities for operational tasks.

(3) The APGM, which exists as section III of the TAP, relates operational tasks to resource tasks, thereby helping link operational tasks and their associated resources to Army Title 10 functions.

#### **9-42. Army Strategic Planning Guidance**

a. The DCSOPS Strategic Plans and Policy Directorate prepares the ASPG (TAP section I). The senior Army leadership creates a vision for the Army from an in-depth assessment of the current and emerging geostrategic environments. The vision presents a consensus of the Army operational and institutional capabilities required in the distant future and provides overarching goals and objectives. It identifies long-term institutional goals and objectives with enablers for attaining those goals and objectives.

b. The ASPG—the cornerstone document of the Army Strategic Planning Process (ASPP)—articulates the vision. Developed through an iterative process, the ASPG encompasses all key agencies of the Army, including the Army Secretariat, Army Staff, MACOMs, ASCCs, ARNG, and USAR. In general, the ASPG:

(1) Provides an integrated assessment of the NSS, NMS, DPG, and other strategic planning inputs.

(2) Provides the leadership’s approved view of the emerging strategic landscape. It also establishes the demand for new operational concepts while articulating institutional goals and objectives.

(3) Facilitates planning throughout the Army by providing senior Army leadership goals and vision for the Army’s transformation.

(4) Provides direction for the family of Army functional plans such as the AMP and the Strategic Logistics Plan.

(5) Drives the total Army analysis (TAA) process and influences the design of future forces, equipment, and doctrine.

(6) Provides a long-term perspective to focus near- and mid-term planning while integrating and coordinating the activities of near-, mid-, and long-term planners and programmers.

(7) Provides common understanding for efforts to “tell the Army story.”

(8) Provides the senior Army leadership’s broad priorities that guide other processes.

(9) Influences periodic external processes and products such as the NMS and the QDR /National Defense Panel while also informing joint planning and programming efforts in the JSPS.

#### **9-43. Army Planning Guidance**

a. The DCSOPS Resource Analysis and Integration Office prepares the APG (TAP section II). The APG covers the mid-term period of the next 6-year POM plus 10

additional years. Guiding the preparation of capabilities-based mission and functional plans, the APG defines seven mission areas.

- (1) Promote regional stability.
- (2) Reduce potential conflicts and threats.
- (3) Deter aggression and coercion.
- (4) Conduct small scale contingency operations.
- (5) Deploy, fight, and win, major theater wars (MTW).
- (6) Secure the homeland.
- (7) Provide domestic support to civil authorities.

b. Centering on sets of operational activities essential to maintain the Army's core competency, the mission areas help define requirements based on needed capabilities. They also help set priorities to guide the allocation of resources during programming.

#### **9-44. Army Program Guidance Memorandum**

The DPAE prepares the APGM (TAP section III). The APGM applies requirements derived from operational capabilities to program development thus completing the succession of guidance from strategic planning to mid-term planning to programming. Guided by planning priorities, the APGM translates mission area operational tasks to PEG resource tasks. Then, through MDEPs, it further relates operational tasks and their associated resources to Army Title 10 functions grouped under the PEG structure as Manning, Training, Organizing, Equipping, Sustaining, and Installations. A forwarding memorandum from the SECARMY and CSA provides additional guidance.

#### **9-45. Army requirements determination process**

HQDA manages the Army's requirements determination process. Applying warfighting concepts for the future and experimentation in TRADOC battle labs, the process compares desired joint and Army capabilities in relation to the anticipated threat and known deficiencies. From this comparison the process derives mutually dependent requirements stressing overall needs of the future Army across the spectrum of doctrine, training, leader development, organization, materiel, and soldiers (DTLOMS). HQDA approves materiel requirements through the Army Requirements Oversight Council (AROC). The AROC reviews requirements documents and evaluates requirements in terms of military need and risk, their synchronization with the Army Modernization Plan and Transformation Campaign Plan, as well as their affordability and interoperability. The VCSA chairs the AROC.

#### **9-46. Army modernization plan**

a. DCSOPS, with DCSPRO and the Assistant Secretary of the Army (Acquisition, Logistics, and Technology) (ASA(ALT)), prepares the AMP. The AMP outlines the vision for modernizing the future force and a strategy for near- to mid-term force development and long-term evolution. The AMP provides a start point for developing the RDAP. Its modernization objectives guide program prioritization at HQDA.

**b.** The AMP codifies required capabilities programmed through the PPBES and assesses the impact of required capabilities remaining to be programmed. It describes the relationship between desired future capabilities and materiel system development.

**c.** The AMP, the Army Science and Technology Master Plan (ASTMP), and the Weapons System Handbook, present the total picture of the Army's RDT&E investment. Additionally, the AMP supports review of the approved POM by congressional authorization and appropriation committees and their staffs.

#### **9-47. Army Research, Development, and Acquisition Plan**

**a.** DCSOPS, with DCSPRO and the Assistant Secretary of the Army (Acquisition, Logistics, and Technology) (ASA(ALT)), prepares the Army RDAP. The RDAP lists battlefield requirements and ranks them in priority. It then matches them to materiel solutions, that is, to RDTE and procurement programs. Developed through analysis by TRADOC and Army Materiel Command (AMC) and guided by the NMS and DPG, the materiel solutions present an integrated HQDA position. What follows describes the plan in greater detail.

**b.** The RDAP takes the form of a priority list of program increments and funding streams for RDTE and procurement over the 15-year planning period. It presents a plan for developing and producing technologies and materiel to support Army modernization. At the same time, it converts materiel requirements from an unconstrained planning environment to a balanced but truncated RDA program that is both technically and fiscally achievable. Conforming to force structure guidelines, the plan seeks to maximize warfighting capabilities and supporting infrastructure within resources expected to be available.

**c.** In December each year, TRADOC provides recommendations to HQDA on material requirements for the RDAP and POM. To arrive at the recommendations, TRADOC applies a process known as warfighting lens analysis (WFLA). The process takes into account such guidance as the NMS, OSD DPG, CINC IPLs, the AMP, and TAP. It compares future required capabilities of the total force against the fiscally constrained budgeted force. In doing so it determines force modernization needs, which TRADOC prioritizes according to their contribution to mission accomplishment.

**d.** AMC performs an analogous function in determining requirements for RDA science and infrastructure (S&I). Supporting warfighting, modernization, and other HQDA high visibility programs, S&I requirements are defined, ordered in priority, and managed by materiel developers' laboratories, RDE (research, development, and evaluation) centers, and support activities.

**e.** From October through February, AMC reviews the requirements jointly with other materiel developers. These include the U.S. Army Corps of Engineers (USACE), Medical Research and Materiel Command (MRMC), U.S. Army Space and Missile Defense Command (SMDC), and Army Research Institute (ARI).

**f.** The review integrates and sets priorities for requirements and reconciles funding allocations. AMC records the results of the review in the Science and Infrastructure RDAP (SIRDAP). AMC forwards the SIRDAP and briefs it to HQDA in February.

**g.** HQDA divides TRADOC and AMC programs, as approved by the senior Army leadership, into increments (entire programs often form a single increment). It consolidates approved program increments into a single list ranking them in 1–n priority. The ranked increments and their funding streams form the Army RDAP. The first 6 years of the plan form the start point of the RDA portion of the POM. Its final 9 years cover the EPP. In another use, the RDA plan informs the TAA process of RDA programs planned for Army modernization.

**h.** The plan receives update each February on receipt of the TRADOC and AMC products. It may receive further updates in the spring after completing the biennial POM (or POM update) and in September after preparing the BES.

#### **9-48. Force development and total Army analysis**

**a.** PPBES planning develops an achievable force structure for America’s Army that supports the NMS. The approach centers on TAA, a computer-aided force developmental process that gets under way about January of even years.

**b.** Drawing on guidance in DPG and other sources, TAA begins by modeling illustrative planning scenarios to determine warfighting force structure requirements. Once HQDA approves those warfighting requirements, TAA compares or matches the programmed force to those requirements to identify mismatches and shortfalls. To overcome shortfalls and mitigate warfighting risk, a Resourcing Council of Colonels proposes various adjustments to the programmed force. Made within the force structure allowance of the Active Army, ARNG, and USAR, such adjustments could include converting units from one component to another or from one branch to another. For example, combat support units in the Active Army may convert to combat service support units. Similarly, ARNG or USAR units with a low warfighting priority may be converted to provide combat support capability no longer residing in the Active Army.

**c.** A force feasibility review (FFR) follows the deliberations of the resourcing council of colonels. Issues are then forwarded to a general officer steering committee (GOSC). The GOSC approves or modifies the proposals and, from its knowledge of available resources and other issues, deletes adjustments deemed too costly or difficult to implement. The FFR identifies potential friction points and the manning, equipping, and training costs to implement the proposed force adjustments. The GOSC then sends the resulting fiscally constrained TAA force to the senior Army leadership. When approved, it becomes the base force for POM development.

**d.** Alternatively, the GOSC can recommend that the senior Army leadership approve the proposed TAA force without applying fiscal constraints. That unconstrained TAA force would then compete for near- to mid-term resources during the development of the POM. These proposed TAA force adjustments also could be slated for the latter years of the POM period, deferring their review for resourcing until the next POM.

#### **9-49. Force management**

**a.** Detailed integration and documentation of the force centers on the command plan process. During this process, the Army updates and creates modification tables of organization and equipment (MTOE) and tables of distribution and allowances (TDA).

These authorization documents officially record decisions on missions, organizational structure, and requirements and authorizations for personnel and equipment.

**b.** The process begins with DCSOPS releasing a command plan guidance message. Command plan guidance sets the focus for a forthcoming documentation cycle, lists documentation priorities and actions, and provides force structure allowances (FSA). Draft MTOEs are prepared by the U.S. Army Force Management Support Agency and reviewed by HQDA and the owning MACOMs. Proposed command plans incorporate the strength levels of the draft MTOEs and reflect force decisions in HQDA guidance, including the program force approved in TAP and Army structure (ARSTRUC) guidance. Command plans reflect the current and projected force structure of each command. Command plans normally contain only military manpower. After HQDA review, DCSOPS publishes an adjusted Master force (MFORCE) and an associated civilian annex reflecting the approved plan. The adjusted MFORCE provides the basis for resourcing personnel and equipment in draft MTOEs and TDAs.

**c.** TAADS applies to the Active Army, ARNG, USAR, and civilian work force. The Army uses the system to record changes in requirements and authorizations that result from changes in unit missions, organizational structure, and equipment.

**d.** TAADS defines requirements and authorizations for MTOE units at various levels of organization using data from the table of organization and equipment (TOE) system, incremental change packages (ICPs), and basis-of-issue plans (BOIPs). Data from the BOIP identify quantitative and qualitative requirements for new items of equipment, including personnel requirements to accommodate them. Requirements for TDA units derive from concept plans, manpower surveys and studies, and manpower standards application.

**e.** The SAMAS serves as the force development database that records the authorized level of manpower and force structure for the Army program and budget. SAMAS has two primary files.

**(1)** One is the force structure file (commonly referred to as the “force file”), which reflects the approved and documented force structure position. The force file produces the MFORCE.

**(2)** The second file is the program budget guidance (PBG) file (commonly referred to as the “budget file”). The budget file reflects the approved command plan force structure plus additional budgeting assumptions, and it produces both the civilian annex to the MFORCE and the manpower addendum to the PBG.

**f.** The Automatic Update Transaction System (AUTS) runs at the close of the documentation cycle. AUTS compares the command plan, MFORCE (FS/PBG) against the TAADS documents. When discrepancies are discovered, the TAADS documents are corrected or the MFORCE (FS/PBG) adjusted to match the latest leadership decisions. The AUTS comparison occurs at the close of the documentation cycle and approves those MTOEs/TDAs whose TAADS position matches their MFORCE position. HQDA publishes a new MFORCE showing which units have approved TAADS documents. This post-AUTS MFORCE provides the basis for updating the database for DCSPER’s Personnel Management Authorization Document (PMAD) and other databases.

**g.** The Structure and Composition System (SACS), in conjunction with Force Builder (a management database integration system), produces the Army's time-phased demands for personnel and equipment over the current budget and program years. SACS information combines information from BOIP, TOE, SAMAS, and TAADS data. Two key outputs are:

**(1)** The Personnel Structure and Composition System (PERSACS). PERSACS summarizes time-phased requirements and authorization for personnel, specifying grade and branch as well as functional area specialties and military occupational specialty (MOS).

**(2)** The Logistics Structure and Composition System (LOGSACS). LOGSACS summarizes time-phased requirements and authorizations for equipment by line item number (LIN).

**h.** PERSACS and LOGSACS form the requirements and authorizations base used by other personnel and logistics systems. The Total Army Equipment Distribution Program (TAEDP), for example, uses equipment requirements and authorizations from LOGSACS to plan equipment distribution throughout the program years.

## **SECTION XI**

### **OPERATIONAL PLANNING LINK TO THE PPBS**

#### **9-50. Operational planning**

Operational planning addresses the 0-2 year short-range planning period. It takes place under the Joint Operational Planning and Execution System (JOPES) and the counterpart Army Mobilization and Operations Planning and Execution System (AMOPES). Through JOPES, the CINCs and their Service component commands develop concept plans (CONPLANS) and operation plans (OPLANs). Based on capabilities reflected in the President's Budget, the plans employ the current (budgeted) force to carry out military tasks assigned in the JSCP. Plan preparation and review return information about shortfalls and limiting factors for consideration in current planning, programming, and budgeting.

#### **9-51. Missions and tasks**

The JSCP carries out the NMS through combatant command OPLANs. Its accompanying intelligence estimate assesses potential threats and their impact on available U.S. Forces. Based on the assessment, the document assigns missions and planning tasks to the CINCs. It also apportions the combat forces expected to be available. Annexes amplify guidance, capabilities, and tasks in specified functional areas.

#### **9-52. OPLAN development and review**

**a.** HQDA provides ASCCs, supporting MACOMs, ARNG, and USAR additional guidance through the AMOPES. AMOPES provides planning assumptions, policy, and procedures. It applies both to mobilization and to military operations before the involuntary call up of ARNG and USAR forces. AMOPES Annex A describes the availability of Army combat, combat support, and combat service support units for

developing time-phased force and deployment data (TPFDD). AMOPES Annex S guides planning to survive a nuclear attack on the United States and to recover and reconstitute essential HQDA missions and functions.

**b.** ASCC TPFDDs specify arrival priorities for force augmentation, resupply, and troop replacement. TPFDD review and later logistics and transportation assessments help refine the priorities to accord with CINC OPLANs. Issues remaining after negotiation become the subject of a force conference in December of the even year and logistics and transportation conferences the following August. ASCCs, supporting MACOMs, and HQDA agencies participate in these deliberations. The participants bring information about current shortfalls and limitations to bear on future requirements through the force feasibility review (FFR) and program development processes.

**c.** In July (odd year), the CINCs submit their OPLANs for final JCS review and approval. The OPLANs provide a basis for CINC IPLs, which influence program development. Their earlier drafts have influenced the TRADOC Black Book Requirements Determination process and command program and budget input.

## **SECTION XII INTEGRATED PROGRAMMING-BUDGETING PHASE**

### **9-53. Army programming and budgeting**

**a.** A single decision process, integrated programming-budgeting, produces the POM, the BES, and the President's Budget. During this phase HQDA staff officials responsible for programming and budgeting work together to help the senior Army leadership distribute resources to support Army roles and missions.

**b.** Beginning in this phase, programmers translate planning decisions, OSD programming guidance, and congressional guidance into a comprehensive allocation of forces, manpower, and funds. In doing this they integrate and balance centrally managed programs for manpower; operations; research, development, and acquisition; and stationing and construction. Concurrently, they incorporate requirements stated by MACOMs, PEOs, and PMs for manpower, operation and maintenance, housing, and construction.

**c.** Working with programmers, budgeters make sure that programmatic decisions are properly costed and that Army resource decisions can be defended during budget reviews conducted by OSD, OMB, and Congress. Programmers and budgeters working closely together during program-budget development help the senior Army leadership consider all relevant information before the leaders make resource allocation decisions. The approach precludes the need, later in the integrated process, to revisit most issues. Moreover, it presents a near seamless transition from program to budget.

**d.** The integrated programming-budgeting phase first produces the POM, which presents the Army's proposal for a balanced allocation of its resources within specified OSD fiscal and manpower constraints. As approved by OSD, this program provides the basis for preparing the BES, the second product of the programming-budgeting phase.

## 9-54. Guidance

**a. Defense Planning Guidance.** The primary product of the OSD planning phase, the DPG identifies key planning and programming priorities to carry out the NMS. OSD issues the DPG in the even year before POM preparation and normally provides an update for off-cycle program development.

**b. Army Program Guidance Memorandum.** The APGM provides direction to PEGs to prepare them for POM build. It outlines strategic guidance. It issues programming guidelines. In addition, it defines resource tasks for PEG goals, relating each task to one or more MDEPs.

**c. Technical guidance memorandum.** Later, DPAE complements the APGM, with a technical guidance memorandum (TGM). The TGM gives coordinating instructions to guide actions of the PEGs during POM build. Then, via PEG-by-PEG guidance, the TGM lays out programming priorities for specific programs set by the SECARMY and CSA.

**d. Fiscal guidance.** Before POM build, OSD issues fiscal guidance establishing the Army's TOA over the POM years. DPAE then apportions the TOA to the PEGs for building their portion of the program. The guidance includes inflation factors and other administrative instructions.

**e. Program and budget guidance.** PBG provides resource guidance to MACOMs, PEOs, PMs, and other operating agencies. Volume I of the document appears in narrative form. It guides commands and agencies, in addressing resource requirements, such as those related to flying hours, ground operating tempo (OPTEMPO), and rates for fuel, inflation, and foreign currency. Volume II reflects the status of command or agency resources. Issued three times each year, one issue of the PBG corresponds to the POM, a second to the BES, and a third to the President's Budget.

**f. Integrated program-budget data call.** HQDA publishes a multivolume resource formulation guide (RFG) for the overall PPBES undertaking. Issued in the fall, RFG volume 3 (Integrated Program-Budget Data Call) describes the data MACOMs, PEOs, PMs, and other operating agencies must submit to HQDA to prepare the POM and BES. Commands and agencies may propose changes to their resources over the program years. Volume 3, however, requires that changes remain zero-sum within the command or agency.

**g. POM preparation instructions.** Issued annually by HQDA and augmenting OSD POM preparation instructions (PPI), RFG volume 4 guides HQDA agencies in preparing the POM.

## 9-55. Program-budget development process

**a. Initial programmatic review.** The biennial program-budget process typically starts in October in the odd years after the BES goes to OSD. Then, through December, HQDA—

- (1) Reviews the existing program to determine program deficiencies.
- (2) Sorts existing MDEPs by PEG.

- (3) Develops DA-directed and compliance MDEPs.
- (4) Establishes force structure and civilian manpower requirements.
- (5) Responds to decisions that result from the PBD process.

**b. Preparing the database.**

(1) Also, in the odd year, starting in October after the BES goes to OSD, HQDA begins building the program and budget that are due the following spring and summer.

(2) Once the President's Budget is submitted, DPAE establishes a data file in the Probe database. Afterwards, in a series of zero-sum adjustments that leave resource levels in the President's Budget unchanged for the budget years, HQDA revises the database. The adjustments—

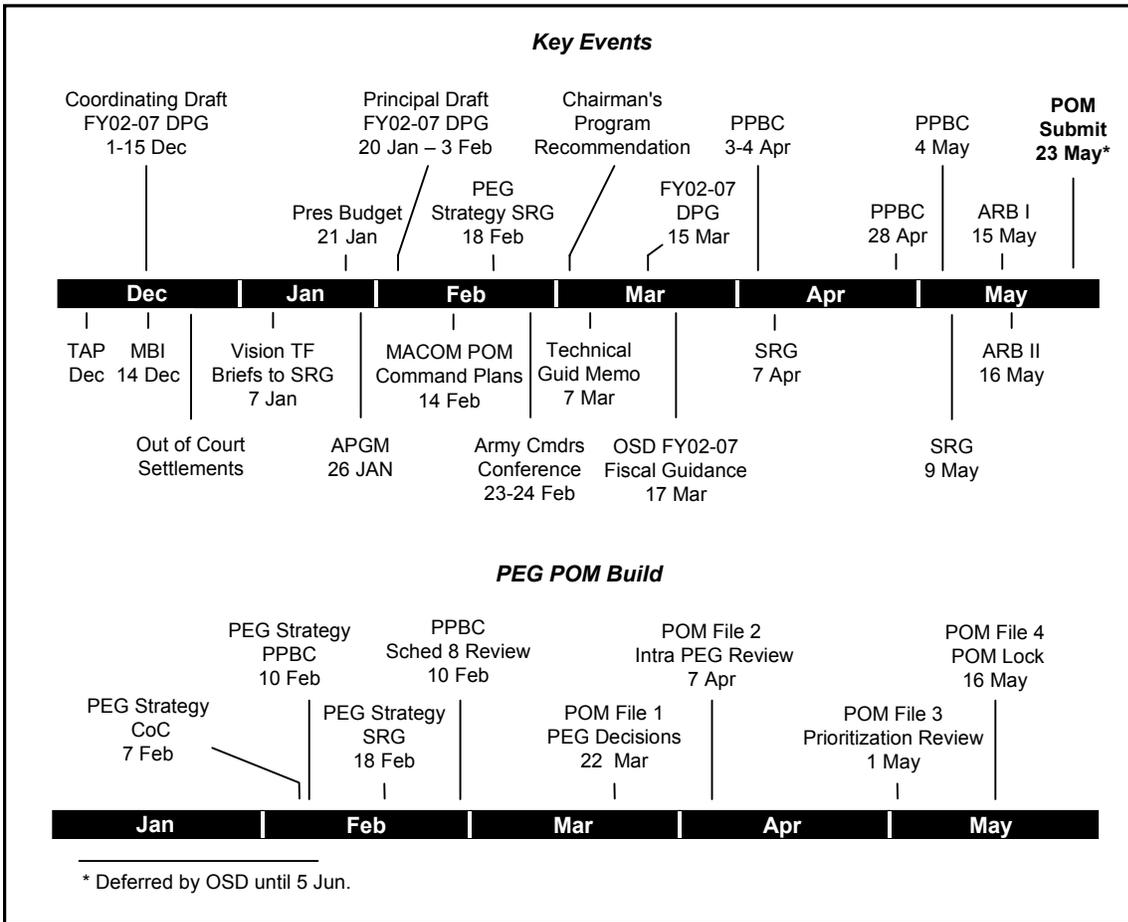
(a) Update earlier estimates with new information and revise them for inflation.

(b) Move resources between and among current AMSCOs and MDEP structures (for various reasons).

(c) Consolidate or otherwise restructure individual programs through rolls and splits to make the overall Army program more manageable.

(d) Re-price existing programs as needed and, when required by modified resource levels, identify offsetting deductions as bill payers.

(3) Figure 9-10 shows timelines for Probe updates and other significant events for POM build FY 02-07.



**Figure 9-10. Timelines for POM Build FY 02-07**

**c. Command participation.** MACOMs participate in the PPBES process as do PEOs and PMs, which report through the Army Acquisition Executive Support Agency (AAESA). They and other operating agencies make mission and operating requirements known through commander’s narratives, command-requested changes, and additional data submissions prescribed by RFG volume 3. MACOM commanders serving as ASCC commanders integrate CINC operational requirements into their program and budget input. The CINCs, in addition, highlight their pressing requirements in an IPL that receives close review during program development by HQDA, the Joint Staff, and OSD.

**d. Use of program evaluation groups.**

(1) As mentioned, HQDA packages program requirements into MDEPs, each deriving from one of six resource management areas. HQDA then assigns each MDEP to a PEG to help build and track the Army POM that forms the Army portion of the DOD FYDP.

(2) PEG POM-building activity begins in the fall and peaks in February through April of the following year. Table 9-1, above, lists PEG organization and functions.

(3) PEGs administer assigned MDEPs. They set the scope, quantity, priority, and qualitative nature of resource requirements that define each PEG program. They

monitor PEG resource transactions, making both administrative and substantive changes to their MDEPs as required. In the process, PEGs review assigned MDEPs in terms of TOA guidance. They also review command and agency POMs together with CINC IPLs and ASCC-developed requirements supporting them. PEGs relate these command operating requirements to HQDA guidance as well as to existing MDEPs and new initiatives.

(4) Meanwhile, serving as program integrators, the DARNG, CAR, and DISC4 provide technical assistance to the PEGs and monitor actions to integrate their priorities and the statutory, Defense, and Army requirements for the ARNG, USAR, and information technology programs.

(5) Based on their requirements review, each PEG builds an executable program for its assigned function, making sure its program is reasonable and has continuity and balance. In the process, the PEG—

(a) Validates requested changes submitted by MACOMs, PEOs, PMs, and other operating agencies.

(b) Reconciles conflicts involving unresourced requirements or decrements on which commands fail to reach agreement.

(c) Recommends the allocation of available resources and offsetting decrements to support approved unresourced programs.

(d) Rank orders within its PEG validated but unresourced programs, using a POM 1-n list.

(e) Evaluates HQDA, command, and other agency zero-sum realignments that reallocate programmed resources to meet existing shortfalls and changed requirements.

(f) Coordinates resource changes with appropriate Service, DOD, and non-DOD agencies when required.

(g) Makes sure that proposed reallocations conform to legal restraints and Army policy and priorities, avoid imprudently high risk, and maintain the executability of mandatory programs and subprograms.

(h) Prices programmatic decisions that the Army can defend during review by OSD, OMB, and the Congress.

**e. Internal program review.** The Planning Program Budget Committee (PPBC) meets periodically throughout POM build to review and adjust the developing program, devising courses of action and recommendations on relevant issues as appropriate. Bearing on the PPBC review is the Army Commanders' Conference scheduled in February, which gives field commanders the chance to express their views on the prospective program. The Senior Review Group (SRG), in turn, convenes early in the process to approve guidance and at key stages to ratify PPBC decisions. The ARB convenes in one or more sessions in early to mid-May to review and approve the completed program.

**f. Program Objective Memorandum.** The biennial POM prepared in the spring each even year documents the program decision of the SECARMY and CSA. Submitted to OSD, the POM, as mentioned, presents the Army’s proposal for a balanced allocation of its resources within specified constraints. POM subject matter remains relatively constant from cycle to cycle but varies as required to address special issues. Topics of the FY 02-07 POM, appear in Table 9-4.

**Table 9-4. POM 02-07 Topics**

<b>TAB</b>	<b>TOPIC</b>	<b>TAB</b>	<b>TOPIC</b>
A	Force Structure	H	Investment Hedges Against Emerging Threats
B	Force Development and Positioning	I	Unified Commands
C	Modernization and Investment	J	Special Operations Forces
D	Force Readiness and Sustainability	K	Counterdrug Program
E	Installation Support and Environment	L	International Agreements
F	Manpower	M	Defense Medical Program
G	Information Technology (IT)/Defense Information Infrastructure (DII)	N	Infrastructure
		O	Antiterrorism/Force Protection
		P	Reserve Component Data

**9-56. OSD program review**

**a.** OSD program review begins soon after POM submission and continues normally until mid to late summer.

**b.** The review features program review proposals that recommend alternatives to POM programs submitted by the Services and Defense agencies. Two- or three-page issue papers prepared by OSD programmers describe the proposed alternative and give evidence for its adoption.

**c.** Issues arise early in the process. They develop from review by members of the Defense Resources Board (DRB) and nonmember Assistant Secretaries of Defense who manage specific programs. Each reviewer prepares a set of proposals whose recommended program additions and reductions sum to zero. Submitted to the DepSecDef, the balanced sets add nothing to the cost of the Defense program. CINCs also may submit proposals but need not balance theirs.

**d.** DPAE serves as Army executive agent for the OSD review, interacting with the OSD staff, functional agencies, and the Joint Staff. As issues arise, representatives of HQDA principal officials meet with their OSD counterparts. The Army representatives present the Army position and try to clarify the issue. If possible, they resolve the issue. Unresolved issues go to the PRG, and if not resolved there, to the DRB.

**e.** An issue resolved outside the DRB is known as an out-of-court settlement. Such settlements require the signature of responsible Army and OSD officials.

**9-57. Program Decision Memorandum**

In mid summer and early fall, after the DRB has debated all outstanding issues, the DepSecDef signs one or more PDMs approving the submitted program with directed changes. Such PDMs provide the program basis for the BES and President's Budget.

**9-58. POM updates**

a. Congress requires the President to submit annual budgets under the biennial cycle, and so OSD also prepares a POM update in the off-cycle year. The off-cycle update re-looks at the previous biennial POM, now minus 1 year. It revises the program to—

- (1) Keep its five remaining years consistent with original decisions and strategy.
- (2) Adjust to program decisions reflected in PDMs and budget decisions reflected in PBDs.

b. An important aspect of the POM update centers on program resource allocations for the upcoming (or second) budget year. The aim is to make the allocations as correct as possible in terms of program balance and executability. By re-examining the POM, the task of making program resource changes shifts from budget analysts to program analysts.

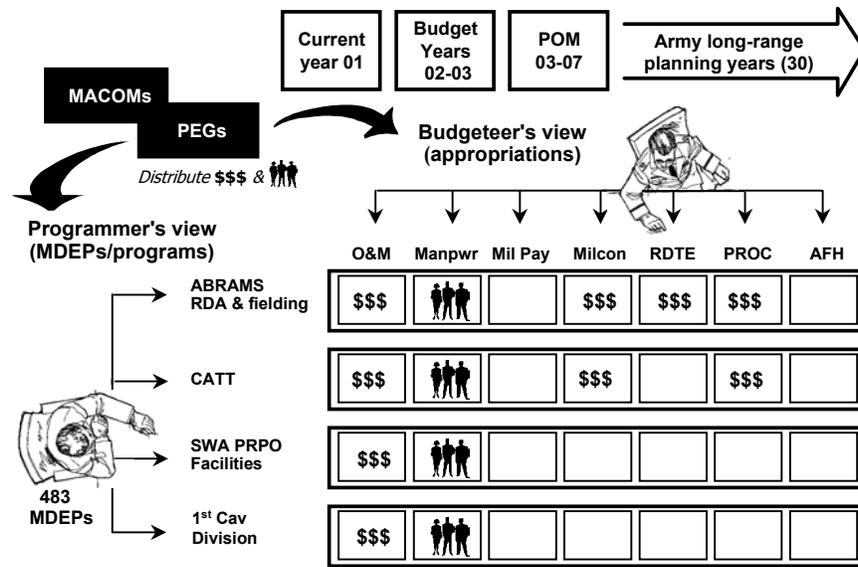
c. The process remains essentially the same as for the biennial POM. For the update, DPAE, DCSOPS, DCSPRO, and ASA(FM&C) together—

- (1) Re-assess the strategy and determine what changed during the last program review and the last budget review.
- (2) Assess how conditions have changed and what is needed next.
- (3) Capture current positions and guidance of the senior Army leadership to detect changes since the spring before, when preparing the original program.
- (4) Adjust for the latest fiscal guidance.
- (5) Review issues raised by PEG chairmen.

**9-59. Complementary program and budget perspective**

a. The POM defines what the Army intends to do over the 6-year program period. It uses the MDEP to package required resources by mission, function, and other program objectives. Throughout program development, however, the ASA(FM&C) member helps the PEG maintain a complementary budget perspective that translates mission outputs to congressional appropriation requests.

b. Figure 9-11 shows this complementary way that programmers and budgeters view resource requirements. The display shows from left to right the manpower and dollars needed to carry out missions and functions. From top to bottom, it shows how these requirements distribute to form appropriation requests to Congress.



**Note.**—The budgeting goal centers on producing a Budget Estimate Submission (BES) that, except for technical fixes, is the same as the Program Objective Memorandum (POM).

**Figure 9-11. Program and Budget Perspectives**

**9-60. BES preparation**

HQDA forwards the BES to OSD in September each year. The BES covers the first 2 years of the program approved by the PDM. Ideally, little or no data would change between submitting the POM and the BES. Then, preparing the BES would simply mean preparing budget exhibits required by OSD. In fact, however, several events cause HQDA to re-address certain POM decisions.

**a. Program Decision Memorandums.** If OSD publishes the PDM beforehand, the BES will reflect the resource changes incorporating PDM decisions and guidance.

**b. Budget guidance.** Two OSD budget guidance documents affect BES content. Volume 2 of the DOD Financial Management Regulation prescribes various exhibits and displays to be used in presenting the budget. The annual budget call memorandum provides supplemental information such as current rate and pricing guidance. Complementing these documents, ASA(FM&C) also issues administrative instructions for preparing the Army's BES.

**c. Congressional action on the current budget.** Concurrent with Army program-budget development, Congress reviews the budget for the upcoming fiscal year. In the summer of 2000, for example, when the Army began preparing its FY 2002-2003 BES, Congress deliberated on the FY 2001 budget. The Army tracked resultant congressional actions and made appropriate adjustments in the FY 2002-2003 BES.

**d. Rate and pricing change.** Changes occur in rates and prices available before submitting the POM. Rate and pricing information provided later by OSD, for example, will likely alter Army Working Capital Fund (AWCF) rates, fuel rates, inflation guidance, and pay raise guidance.

**e. Inter- and intra-Service transfers.** When missions transfer between MACOMs or Services, the calculation and approval of data regarding the accompanying resources

usually lags until summertime. Unavailable when submitting the POM, such resource changes must later be incorporated into the BES.

**f. Execution performance.** At each PPBES decision point, the Army considers how current activity may affect future programs and budgets. It uses the information to adjust future resource allocations. Typical changes in allocations, for example, might reflect the results of acquisition program reviews, unanticipated but unavoidable cost growth, and initiation of contingency missions likely to extend into the program and budget years.

## **9-61. BES review and approval**

**a. Internal review.** Appropriation sponsors brief the results of their analyses to the PPBC when presenting their budgets for approval. It is important to note that PEGs continue to participate in the resource allocation decision-making process that in this phase produces the BES. They do this by providing a programmatic assessment of resource allocation changes that are proposed by budget analysts. The DASA(B) chairs the PPBC while it discusses the issues and alternatives to appropriation sponsor proposals.

(1) The PPBC reviews the “scrub” of appropriation budget estimates to make sure they reflect SECARMY and CSA guidance. It then presents summary budget estimates through the SRG to the ARB for review and final decision.

(2) Once the proposed estimates receive approval, appropriation sponsors, aided by managers for program and performance, prepare detailed justification books and furnish DPAE update data for incorporation into the FYDP reflecting the approved BES. DASA(B) prepares the executive summary of the budget and a transmittal letter from SECARMY to the SecDef. Separately, DASA(B) submits each appropriation’s justification books to OSD, and DPAE submits an updated Army database for the FYDP. The combined events constitute the Army’s BES to OSD.

### **b. OSD-OMB budget review.**

(1) Members of OSD and OMB jointly review the BES. The joint review focuses on proper pricing, reasonableness, and executability. Appropriation and program sponsors provide appropriation and program overviews at OSD-OMB hearings and respond to questions on the budget submission. Based on the hearings and discussions with Army budget analysts, OSD analysts draft Program Budget Decisions (PBDs) for review and coordination.

(2) PBDs usually present at least one alternative to the BES position in the budget area addressed. An alternative poses dollar and manpower increases or decreases. PBDs may be issued based on errors or on the strength of the justification. Sometimes they are motivated by cost savings or the need to reflect changes in policy. Sometimes they result from analytical disagreement. Whatever the reason, the Army analyzes each PBD and responds to OSD, either agreeing or disagreeing with the OSD position.

(3) Throughout the PBD cycle, the ASA(FM&C) meets with the USD(C) at periodic Service financial manager meetings. At these meetings, toward the end of the PBD cycle, ASA(FM&C) presents financial management (FM) direct appeals. In these

appeals, the ASA(FM&C) tries to reverse OSD positions that are adverse to the Army program and budget.

(4) After the DepSecDef or USD(C) has signed most PBDs, each Service selects as major budget issues (MBIs) certain, still pending, adverse resource decisions. Army MBIs center on decrements to specific initiatives or broad issues that would significantly impair its ability to achieve its program intentions. An MBI addresses the adverse impact that would occur if the decrement were to prevail. At the end of the PBD process, the SECARMY and CSA meet with the SecDef and DepSecDef on MBIs. After the meeting, the SecDef decides each issue, if necessary meeting with OMB or the President to request additional funds or recommend other action.

(5) In December, at the end of the PBD cycle, OSD normally issues a final PBD or OSD memorandum incorporating any changes from MBI deliberations, thus completing the PBD process. OSD then issues each Service its final TOA and manpower controls. DASA(B) incorporates the final changes in the developing President's Budget while DPAE uses the information to adjust or revalidate the Army's program. DASA(B) supervises the PBD and MBI processes, and throughout the review—

(a) Maintains coordination between the USD(C) and HQDA.

(b) Makes sure that adjustments to fiscal controls are correct on all records for each PBD. (However, verifying corresponding manpower controls is an ASA(M&RA) responsibility.)

(c) Gives special attention to any PBD under appeal since the DepSecDef may revise the pending adjustments on review.

### **c. President's Budget.**

(1) After implementing the final resource distribution at the budget activity and object class level, Army sends the information to OSD. OSD and OMB forward the information as the Army's portion of the Defense budget, which OMB incorporates into the President's Budget. The President's Budget covers prior year obligations and updated resource estimates for the current year. During the biennial POM cycle, it covers TOA estimates for the budget year and budget year plus 1. The following year, reflecting the offcycle update of the POM, the Presidents' Budget presents a revised second budget year.

(2) Budget analysts translate decisions into program changes, posting PEs, MDEPs, and command distributions, as required. Managers for program and performance update their internal systems. DASA(B) forwards database updates to DPAE, and DPAE updates Probe to produce the President's Budget FYDP, which is also submitted to Congress as required by law.

## **9-62. Justification**

### **a. Budget hearing.**

(1) During budget justification, the Army presents and defends its portion of the President's Budget before Congress. The process proceeds formally and informally under the staff supervision of the Chief of Legislative Liaison and ASA(FM&C).

(2) After the President formally submits the budget, the Army provides detailed budget justification to the authorizing and appropriations committees. First, however, appropriation sponsors will have prepared material in Army justification books to conform to decisions of the President and SecDef and congressional requirements for formats and supporting information. Justification books undergo internal Army review by ASA(FM&C) and are then sent to OSD for final review.

(3) The Senate Armed Services Committee (SASC) and House Armed Services Committee (HASC) conduct authorization hearings for the various programs and appropriations. Concurrently, the Army's budget request goes before the House and Senate Appropriations Committees. In these hearings, the SECARMY and CSA normally testify first. Then, helped by ASA(FM&C) and the Chief of Legislative Liaison, appropriation sponsors and functional proponents present and defend the details of the budget.

**b. Legislative approval and enactment.**

(1) When congressional sub-committees complete their review, the Senate and House vote on the committee bills. Differences between the Senate and House versions get resolved via a joint conference.

(2) Budget justification ends when the President signs the authorization and appropriation bills for the coming fiscal year. Enacted into law, Army appropriations provide the legal authority to incur obligations and make payments.

**c. Continuing Resolution Authority.** When Congress fails to pass an appropriation by the end of September, it may pass a continuing resolution. Continuing resolution authority (CRA) derives from emergency legislation that authorizes the funding of Government operations in the absence of appropriations. A temporary measure, the CRA usually restricts funding to the prior year level and prohibits new initiatives. HQDA separately publishes specific policy on how the Army will operate under the CRA. Failure to pass either an appropriation or CRA (as happened in the Fall of 1995 when Congress failed to pass FY 96 legislation on time and the President refused to sign continuing resolution authorities) could result in a temporary close down of government operations. Normally, however, until an appropriation or CRA is enacted, DOD would continue minimum essential operations based on the requirements of national defense.

### **SECTION XIII BUDGET EXECUTION PHASE**

#### **9-63. Management and accounting**

During execution, the Army manages and accounts for funds and manpower to carry out approved programs. It checks how well HQDA, MACOMs, PEOs, PMs, and other operating agencies use allocated resources to carry out program objectives. Through the Army Joint Reconciliation Program, it strengthens financial accounting and management to make sure financial reports accurately reflect the results of budget execution. The Army, and of even greater importance, OSD and Congress apply execution feedback to adjust resource requirements during their deliberation on the Army's budget.

**9-64. Financial management**

Budget execution applies the funds appropriated by Congress to carry out authorized programs. The procedure entails apportioning, allocating, and allotting funds; obligating and disbursing them; and associated reporting and review. The procedure also entails performing in-progress evaluations and making necessary course corrections to reallocate resources to meet the changing requirements that develop during execution. Budget execution includes financing unbudgeted requirements that result from changed conditions unforeseen when submitting the budget and having higher priority than the requirements from which funds are diverted (reprogramming).

**a. Funds control.**

(1) Several events must occur before the Army can execute its programs for a new fiscal year under a new appropriations act:

(a) OMB must apportion the appropriations, which provides obligation/budget authority. An apportionment distributes funds by making specific amounts available for obligation.

(b) The Department of the Treasury must issue a Treasury Warrant providing cash.

(c) The USD(C) must release program authority

(2) Before the Army can execute its programs for the new fiscal year, all these authorities must be loaded into the Program Budget Accounting System (PBAS). Additionally, PBAS must be loaded with execution restrictions in accordance with congressional language, and undistributed decrements must be spread to the appropriate program by appropriation sponsors.

**b. Apportionment.**

(1) The apportionment requests (DD Form 1105) are prepared by DASA(B) within 5 days of the availability of an appropriations act and in response to approved reprogramming requests, supplementals, or rescissions. The apportionment requests are approved or revised by OSD and submitted to OMB for approval. OMB approves, changes, or disapproves the requests and returns apportionments through OSD to the Army for entry into PBAS. OMB apportions—

(a) Operating accounts (Operation & Maintenance (O&M), Military Personnel (MILPERS), and Army Family Housing (Operations) (AFHO)) on a fiscal quarterly basis.

(b) Investment accounts (RDT&E, Procurement, Military Construction (MILCON), and Army Family Housing (Construction) (AFHC)) initially for the entire amount of the appropriation.

(2) The apportionment determines the budget authority (BA) available in PBAS. For the operating accounts—even after releasing the entire program to the command—it is the cumulative amount of BA issued to commands and agencies by quarter that determines the execution level for the appropriation.

**c. Program release.**

(1) For the investment accounts, the Army releases program and budget authority in equal amounts. Actual expenditure, however, depends on OSD program controls wherein the USD(C) gives the Army specific program releases that further control expenditures.

(a) For the procurement appropriations (Aircraft, Missiles, Weapons & Tracked Combat Vehicles, Ammunition, and Other Procurement), the program is released at the budget line item number (BLIN) level.

(b) For the RDTE appropriation, the program is released at the PE level. These are the same levels as those authorized and appropriated by Congress and reported in the DD 1414 and DD 1416 Reports (which are provided to Congress to show execution changes to appropriated amounts).

(c) Both the MILCON and the AFHC appropriations are released at the project level as contained in the conference report accompanying the *Military Construction Appropriations Act*.

(2) Program releases for the operating accounts, O&M and Mil Pers, are contained in the obligation authority (OA) letter issued by the USD(C). A separate OA letter is issued for AFHO.

**d. Allocation, obligation, and reconciliations.** Guided by HQDA appropriation sponsors and using the PBAS, ASA(FM&C) allocates apportioned funds to commands and agencies. Then—

(1) MACOMs and other operating agencies, in turn, make funds available to subordinate commands and installations by an allotment. Allotments authorize users to place orders and award contracts for products and services to carry out approved programs.

(2) Installations obligate funds as orders are placed and contracts awarded. They make payments as materiel is delivered or as services are performed.

(3) Finally installations, commands, and appropriation sponsors conduct joint reconciliations. Reconciliations make sure financial statements and reports accurately represent the results of the apportionment, allocation, and allotment program. Reconciliations also make sure payments align properly with supporting obligations.

**e. Changes from the President's Budget.**

(1) After appropriations are enacted, appropriation sponsors and the Army Budget Office review the legislation to determine changes, which include congressional adds, denial of programs, or changes to the funding level as submitted in the budget. Changes also include identification of congressional special interest items, undistributed reductions, and any language relating to execution of the programs. These changes are applied to amounts loaded into the PBAS.

(2) Appropriation sponsors must determine how to spread any undistributed reductions. In addition, they may also have to spread some unapplied reductions in the appropriations act, which are distributed to the Services (and appropriations) during the

PBD cycle. For those reasons, the actual funding level for a particular project, BLIN, PE, or budget activity may not be finally set until several months into the new fiscal year. This is so even if the appropriations act is passed before October 1, and the ultimate funding level for individual programs will almost certainly be less than shown in the joint conference reports.

**f. Funding letters for O&M and AFHO.** HQDA issues funding letters to commands and agencies for both the Operation and Maintenance, Army (OMA) and AFHO appropriations. (ARNG and USAR issue their own funding letters for their O&M appropriations.) The letters indicate funded programs and give guidance on how they should be executed. They also provide an audit trail from the resource position in the President's Budget to the revised, appropriated position. The OMA funding letter outlines the funding posture and goals set by the senior Army leadership for command execution. Preparing and issuing the funding letter takes about 30 days after the appropriations act is passed.

#### **9-65. Revised approved program for RDT&E**

HQDA issues a revised approved program (RAP) for the RDT&E appropriation. The RAP shows the congressional changes at both the PE and project level. In addition, the RAP spreads general reductions at the project level. It includes the amounts set aside for the Small Business Innovation Research Program (SBIR) and the Small Business Technology Transfer Pilot Program (STTR). The RAP also includes amounts withheld by the USD(C) and HQDA and provides language on congressional restrictions as well as congressional special interest items. Because of the level of detail and the extensive information included, the RAP is not available until several months after the appropriations act is enacted.

#### **9-66. Program Budget Accounting System**

**a.** The PBAS is used to issue both the program and BA to commands and agencies for all appropriations. After appropriation sponsors determine the revised appropriated level for each appropriation, the amounts are adjusted in PBAS. The program and BA are released in equal amounts for all appropriations except Military Personnel, O&M, and AFHO. These accounts receive the total program for the fiscal year but receive BA quarterly throughout the year. BA controls the total amount of obligations a command or agency can execute through any given quarter but allows flexibility in its application against the program received.

**b.** The ASA(FM&C) controls PBAS at the HQDA level. The appropriation sponsor may request release of the program and budget authority (BA), or below threshold reprogramming actions. The HQDA Funds Control Officer in the Office of the Deputy ASA for Budget (SAFM-BUC-E) reviews requests for compliance with congressional language and guidance of the USD(C) before entering the action in PBAS. PBAS produces documents that display both BA and the program. The documents include a section for remarks for executing the program and footnotes that provide statutory restrictions according to the revisions of 31 USC 1517.

**c.** PBAS agrees with the program detail contained in DFAS-IN Manual 37-100\*\* (the Army Management Structure (AMS)). Changes to PBAS can only be made at the

DA level and must be approved as a change to DFAS-IN Manual 37-100\*\*. This pamphlet initially agrees with the detail obtained in the President's Budget request and is changed to incorporate congressional adds. Any additional changes may be controlled by congressional language and vary from one appropriation to another.

**d.** PBAS uses special reprogramming keys either to allow commands and agencies to move the program below threshold or to restrict the ability to reprogram below threshold to the DA level. The use of the keys in PBAS varies from one appropriation to another. Special keys may also be used in PBAS to identify congressional special interest items or programs that have been denied by Congress.

### **9-67. Obligation and outlay plans**

During December and January, the ASA(FM&C), in coordination with field activities and appropriation sponsors, develops obligation and outlay plans for each of the appropriations. The obligation plans address unexpired funds for all Army appropriations. The outlay plans address unexpired and expired funds. The ASA(FM&C) sends completed obligation and outlay plans to the USD(C). Based on command estimates of annual obligations, the plans tie to obligation and outlay controls in the President's Budget. The importance of the outlay plan is that it is directly tied to the projected amounts the Treasury must borrow to maintain proper balances to meet expected disbursements (outlays).

### **9-68. Financing unbudgeted requirements**

**a.** Congress recognizes the need for flexibility during budget execution to meet unforeseen requirements or changes in operating conditions, including those to address minor, fact-of-life financial changes. Congress accepts that rigid adherence to program purposes and amounts originally budgeted and approved would jeopardize businesslike performance. Thus, within stated restrictions and specified dollar thresholds, Congress allows Federal agencies to reprogram existing funds to finance unfunded requirements. Typically, reprogramming diverts funds from undertakings whose requirements have lower priority than the new requirements being financed.

**b.** Congressional language on reprogramming, which varies by appropriation, controls the Army's ability to move the program within appropriations (below threshold reprogramming). Moving the program in excess of specified limits requires congressional approval via a formal reprogramming (DD Form 1415) request. Moving amounts between appropriations always requires a formal reprogramming request.

**c.** Provided reprogramming authority is not required, another way to finance unfunded requirements is to apply obligation authority harvested from joint reconciliations. This means using unexpired funds originally obligated against a contract or order but identified as excess to the need and subsequently deobligated. Reutilizing funds in this way gives allotment holders greater leverage in executing the budget and increases the buying power of the Army's financial resources.

**d.** FY 91 marked the first year of Omnibus Reprogramming procedure, which, except for construction accounts, consolidated all DOD reprogramming actions into one very large reprogramming action. It identified all DOD reprogramming requirements at

one time. This allowed the Congress and DOD to set priorities for limited funding and make smarter decisions.

#### **9-69. Oversight of nonappropriated funds**

Applying various methods, the ASA(FM&C) also oversees nonappropriated funds. One method is by participating on the Morale, Welfare, and Recreation (MWR) Board of Directors. The Deputy Assistant Secretary of the Army (Financial Operations) is a voting member of the MWR Executive Committee. In addition, the Principal Deputy Assistant Secretary of the Army (FM&C) chairs the Audit Committee, and the Deputy Assistant Secretary of the Army (Resource Analysis and Business Practices) serves on the Investment Subcommittee. Through these positions the ASA(FM&C) influences virtually all aspects of MWR financial policy. As part of the responsibility of overseeing nonappropriated funds, the ASA(FM&C) presents nonappropriated funds issues to the SECARMY and CSA for decision.

### **SECTION XIV PROGRAM PERFORMANCE AND REVIEW**

#### **9-70. Program implementation**

MACOMs, PEOs, PMs, and other operating agencies carry out the approved program within manpower and funds provided. They review budget execution and account for and report on the use of allocated funds by appropriation and MDEP. As applicable to each appropriation, they include FYDP program and subprogram, AMSCO, PE, project number, BLIN, budget activity, BAG, and EOR. They also account for use of allocated manpower by UIC. The manpower and financial data obtained help commands and agencies develop future requirements.

#### **9-71. Quarterly Army Performance Review**

ASA(FM&C) oversees a management review of Army programs via the QAPR. The QAPR compares program performance with objectives set at the beginning of the fiscal year by HQDA staff principals. These officials personally present the review to the SECARMY and CSA on a quarterly basis.

#### **9-72. Review of selected acquisition systems**

The means for checking system program performance include milestone reviews of designated acquisition programs by the Army Systems Acquisition Review Council (ASARC) conducted by ASA(ALT) and the VCSA.

#### **9-73. Joint Reconciliation Program**

This program applies the skills of those responsible for various aspects of financial management. The skills include those of accountants, budget and program analysts, contracting professionals, logisticians, and internal review auditors. The program applies the combined skills to verify the validity of unliquidated obligations, contractor work in process, billing status, and the continued need for goods and services not yet delivered. The program achieves dollar savings by identifying and canceling obligations for goods and services no longer needed or duplicative. The program also reconciles current

appropriations to verify the correctness of amounts obligated. In addition, the program assures the liquidation of appropriations to be canceled by the end of the fiscal year.

**Table 9-5. Army Appropriation and Fund Managers**

<i>Resource identification code</i>	<i>Appropriation (fund) <sup>1</sup></i>	<i>Manager for functional requirements</i>	<i>Manager for program and performance</i>
<i>Investment</i>			
<b>RDTE</b>	Research, Development, Test, and Evaluation, Army	DCSPRO	ASA (ALT)
<b>CHEM</b>	Chemical Agents and Munitions Destruction, Army	DCSPRO	ASA (ALT)
<b>ACFT (APA)</b>	Aircraft Procurement, Army	DCSPRO	ASA (ALT)
<b>MSLS (MIPA)</b>	Missile Procurement, Army	DCSPRO	ASA (ALT)
<b>WTCV</b>	Procurement of Weapons and Tracked Combat Vehicles, Army	DCSPRO	ASA (ALT)
<b>AMMO (PAA)</b>	Procurement of Ammunition, Army	DCSPRO	ASA (ALT)
<b>OPA</b>	Other Procurement, Army	DCSPRO	ASA (ALT)
	OPA 1	DCSPRO	ASA (ALT)
	OPA 2	DCSPRO	ASA (ALT), DISC4
	OPA 3	DCSPRO	ASA (ALT)
<b>MCA</b>	Military Construction, Army	ACSIM	ACSIM
<b>MCNG</b>	Military Construction, Army National Guard	DARNG, ACSIM	DARNG
<b>MCAR</b>	Military Construction, Army Reserve	CAR, ACSIM	CAR
<b>AFHC</b>	Family Housing, Army (Construction)	ACSIM	ACSIM
<b>BRAC</b>	Base Realignment and Closure	ACSIM	ACSIM
<i>Operations</i>			
<b>OMA</b>	Operation and Maintenance, Army	See Table 9-6.	
<b>OMNG</b>	Operation and Maintenance, Army National Guard <sup>2</sup>	DARNG, ACSIM	DARNG
<b>OMAR</b>	Operation and Maintenance, Army Reserve <sup>2</sup>	CAR, ACSIM	CAR
<b>ERA</b>	Environmental Restoration, Army and Formerly Used Test Sites	ACSIM	ACSIM
<b>AFHO</b>	Family Housing, Army (Operations)	ACSIM	ACSIM
<b>MPA</b>	Military Personnel, Army	DCSPER	DCSPER
<b>NGPA</b>	National Guard Personnel, Army	DARNG	DARNG
<b>RPA</b>	Reserve Personnel, Army	CAR	CAR
<i>Miscellaneous accounts</i>			
<b>AWCF</b>	Army Working Capital Fund		
	Supply management	DCSLOG	ASA (ALT)
	Depot maintenance	DCSLOG	ASA (ALT)
	Ordnance	DCSLOG	ASA (ALT)
	Information services	DISC4	DISC4
<b>CAWCF</b>	Army Conventional Ammunition Working Capital Fund	ASA (ALT)	ASA (ALT)
<b>IMET</b>	International Military Education and Training Transfer Appropriation	DUSA (IA)	DUSA (IA)
<b>FMFE</b>	Foreign Military Financing Executive	DUSA (IA)	DUSA (IA)
<b>FMS</b>	Foreign Military Sales Program	DCSLOG	DCSLOG
<b>HOA</b>	Homeowners Assistance Fund, Defense	COE	COE
<b>ATF</b>	Department of the Army Trust Funds	ASA (FM&C)	ASA (FM&C)

**Notes.**—<sup>1</sup> ASA (FM&C) serves as appropriation sponsor for all appropriations (funds) except ARNG and USAR appropriations, whose sponsors are the Chief, National Guard Bureau and Chief, Army Reserve, respectively.

<sup>2</sup> See Table 9-6.

**Table 9-6. Budget Activity Management Structure for Operation and Maintenance Appropriations**

<b>Operation and Maintenance, Army</b>					
<i>Army manpower and total obligation authority</i>					
<i>Records resources for Army management structure code (AMSCO) nnnxxx, where nnn shows budget subactivity. (See chaps AO-2020a-d, h, and j, DFAS-IN Manual 37-100-** for further information.)</i>					
n	Budget activity (BA)	nn	Activity group (01 level)	nnn	Budget subactivity
<b>Code</b>	<b>Description</b>	<b>Manager<sup>1</sup></b>	<b>Code</b>	<b>Description</b>	<b>Manager<sup>1</sup></b>
	<b>BA 1: Operating forces</b>	<b>DCSOPS</b>	<b>33</b>	<b>Recruiting, and other training and education</b>	
<b>11</b>	<b>Land forces</b>	<b>DCSOPS</b>			
111	Division		331	Recruiting and advertising	DCSPER
112	Corps combat forces		332	Personnel processing	DCSPER
113	Corps support forces		333	Continuing education and assistance	DCSPER
114	Echelon above corps support forces		334	Civilian training	DCSPER
115	Land forces operations support		335	Junior Reserve Officers Training Corps	DCSPER
<b>12</b>	<b>Land forces readiness</b>		336	Base support—recruiting and examining	ACSIM
121	Force readiness operations support	DCSOPS		<b>BA 4: Administration and service-wide support</b>	
122	Land forces system readiness	DISC4, ACSIM, DCSOPS	<b>41</b>	<b>Security Programs</b>	<b>DCSINT</b>
123	Land forces depot maintenance	DCSLOG	411	Security programs	
<b>13</b>	<b>Land forces readiness support</b>		<b>42</b>	<b>Logistics operations</b>	<b>DCSLOG</b>
131	Base operations support	ACSIM	421	Service-wide transportation	
132	Real property maintenance (land forces readiness support)	ACSIM	422	Central supply activities	
135	Additional activities	DCSOPS	423	Logistic support activities	
			424	Conventional ammunition management	
			<b>43</b>	<b>Service-wide support</b>	
			431	Administration	ASA (M&RA)
<b>21</b>	<b>BA 2: Mobilization</b>	<b>DCSOPS</b>	432	Service-wide communications	DISC4, ACSIM
<b>211</b>	<b>Mobility operations</b>		433	Manpower management	ASA (M&RA)
211	Strategic mobility	DCSOPS <sup>2</sup>	434	Other personnel support	ASA (M&RA)
212	War reserves	DCSOPS	435	Other Service support	Various
213	Industrial preparedness	DCSLOG	436	Army claims and administrative support activities	TJAG
214	Real property maintenance	ACSIM <sup>3</sup>	437	Construction and real estate management	ACSIM
	<b>BA 3: Training and recruiting</b>	<b>DCSOPS</b>	438	Base support	ACSIM
<b>31</b>	<b>Accession training</b>		439	Real property maintenance	ACSIM
311	Officer acquisition	DCSOPS			
312	Recruit training	DCSOPS			
313	One station unit training	DCSOPS			
314	Senior Reserve Officers' Training Corps	DCSOPS			

**Table 9-6. Budget Activity Management Structure for Operation and Maintenance Appropriations**

315	Service Academy base support	ACSIM	44	Support of other nations	DUSA (IA)
continued on next page			continued on next page		
<i>Army manpower and total obligation authority (continued)</i>					
316	Real property maintenance	<b>ACSIM</b>	441	International military headquarters	
<b>32</b>	<b>Basic skill and advanced training</b>		442	Miscellaneous support of other nations	
321	Specialized skill training	DCSOPS	451	Closed account	None
322	Flight training	DCSOPS	493	Defense Environmental Restoration Account (DERA)	None
323	Professional development education	DCSOPS			
324	Training support	DCSOPS			
325	Base support-TRADOC	ACSIM			
326	Real property maintenance	ACSIM			
continued in right column, previous page					

**Notes.** —<sup>1</sup> Manager for functional requirements and program and performance throughout entire table (except as noted.). <sup>2</sup> Manager for functional requirements. DCSLOG serves as manager for program and performance. <sup>3</sup> Follows support recording structure used for Operation and Maintenance, Army.

**Manpower-only activity structure**

Probe generates categories 8 and 9 below to meet manpower reporting requirements. Category 8 records resources for AMSCO 84nxxx where n=1, 6, 7, or 9 shows the budget subactivity. Category 9 records resources for AMSCO 9nxxxx, where n=1, 2, 3, or 4 shows the 0-1 level structure.

<b>Code</b>	<b>Description</b>	<b>Manager<sup>1</sup></b>	<b>Code</b>	<b>Description</b>	<b>Manager<sup>1</sup></b>
	<b>Category 8: Medical activities, manpower only—reimbursable labor</b>			<b>Category 9: Other—manpower only</b>	
<b>84</b>	<b>Medical manpower—reimbursable</b>	<b>TSG</b>	<b>91</b>	<b>Defense agency manpower (military only)</b>	<b>DCSOPS</b>
841	Examining activities—health care		<b>92</b>	<b>Special operations forces manpower—reimbursable</b>	<b>DCSPER</b>
846	Service support to USUHS		<b>93</b>	<b>Outside Department of Defense</b>	<b>DCSPER</b>
847	Defense medical centers, hospitals, and medical clinics—CONUS		<b>94</b>	<b>Transients, holdees, and operating strength deviation</b>	<b>DCSPER</b>

**Base support**

Base Support, which divides into Base Operations Support (BOS) and Real Property Maintenance (RPM) provides resources to operate and maintain installations.

Base Support records resources for Army management structure code (AMSCO) where *nnnxxx* shows budget subactivity and *xxxxnn* designates specified subdivisions. As recorded in the **Code** column below, some AMSCOs have an additional set of codes (sometimes referred to as letter accounts) that appear after the 6<sup>th</sup> character. (See chap A9-BSSPT, DFAS-IN Manual 37-100-\*\* for further information.)

Base Operations Support (BOS)

Base Operations Support (BOS) applies to subactivity groups 131, 135, 325, 336, and 348

<b>Code</b>	<b>Account</b>	<b>Manager<sup>1</sup></b>	<b>Code</b>	<b>Account</b>	<b>Manager<sup>1</sup></b>
	<b>AMSCO xxxx19, xxxx20</b>		<b>.D</b>	Transportation services	DCSLOG
	Child development services, family centers	ACSIM	<b>.E</b>	Laundry and dry-cleaning services	DCSLOG
			<b>.F</b>	Food services	DCSLOG

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**Table 9-6. Budget Activity Management Structure for Operation and Maintenance Appropriations**

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**Table 9-6. Budget Activity Management Structure for Operation and Maintenance Appropriations**

<b>AMSCO xxxx53, xxxx54, xxxx56</b>			<b>.K</b> Civilian personnel management	ASA(M&RA)
Environmental conservation, pollution prevention, environmental compliance	ACSIM		<b>.L</b> Morale, welfare, and recreation	ACSIM
<b>AMSCO xxxx75</b>			<b>.M</b> Military personnel support	ASA(M&RA)
Force protection	ACSIM		<b>.Q</b> Reserve Component support	ACSIM
<b>AMSCO xxxx79 (Real Property Services)</b>			<b>.U</b> Financial management	ASA(FM& C)
<b>.J</b> Operation of utilities	ACSIM		<b>.V</b> Management analysis	ASA(FM&C)
<b>.M</b> Municipal services	ACSIM		<b>.W</b> Contracting operations	ASA(ALT)
<b>.N</b> Facilities engineering services	ACSIM		<b>.X</b> Information technology, management and planning	DISC4, ACSIM
<b>.P</b> Fire and emergency response services	ACSIM		<b>.Y</b> Administrative services	DISC4, ACSIM
<b>AMSCO xxxx90</b>			<b>.1</b> Provost Marshal	DCSOPS
Audio visual and visual information production, acquisition, and support)	DISC4, ACSIM		<b>.2</b> Staff Judge Advocate	ACSIM
<b>AMSCO xxxx95</b>			<b>.3</b> Chaplain	ACSIM
Base communications	DISC4, ACSIM		<b>.4</b> Public Affairs	ACSIM
<b>AMSCO xxxx96 (Base Operations Support)(BASOPS(-))</b>			<b>.5</b> Inspector General	ACSIM
<b>.A</b> Real estate leases	ACSIM		<b>.6</b> Installation management	ACSIM
<b>.B</b> Supply operations and management	DCSLOG		<b>.7</b> Operations	DCSOPS
<b>.C</b> Materiel maintenance	DCSLOG		<b>.9</b> Unaccompanied personnel housing management	ACSIM
<b>continued in right column, previous page</b>				

**Note.**—<sup>1</sup> Manager for functional requirements and program and performance.

Real Property Maintenance

Real Property Maintenance (RPM) applies to subactivity groups 214, 316, 326, and 439.

<b>Code</b>	<b>Account</b>	<b>Manager<sup>1</sup></b>	<b>Code</b>	<b>Account</b>	<b>Manager<sup>1</sup></b>
<b>AMSCO xxxx76</b>			<b>.E</b> Administrative facilities (including information technology facilities)	ACSIM	
<b>.L</b>	Minor construction	ACSIM	<b>.F</b> Unaccompanied personnel housing facilities, enlisted barracks	ACSIM	
<b>AMSCO xxxx78 (Maintenance and Repair)</b>			<b>.G</b> Other unaccompanied personnel housing facilities	ACSIM	
<b>.1</b>	Surfaced areas (including bridges and other appurtenances)	ACSIM	<b>.H</b> Dining facilities	ACSIM	
<b>.2</b>	Airfields, paved and unpaved (including bridges and other appurtenances)	ACSIM	<b>.Q</b> Other facilities without facility category groups (FCGs)	ACSIM	
<b>.4</b>	Railroads (including bridges and other appurtenances)	ACSIM	<b>.R</b> Airfield facilities	ACSIM	
<b>.5</b>	Utility systems	ACSIM	<b>.S</b> Training/instruction support facilities	ACSIM	
<b>.A</b>	Maintenance and production facilities	ACSIM	<b>.T</b> Ports	ACSIM	
<b>.B</b>	Training and operations facilities	ACSIM	<b>.U</b> Medical and hospital facilities	ACSIM	
<b>.C</b>	RDT&E facilities	ACSIM	<b>.V</b> Grounds	ACSIM	
			<b>.W</b> Community support	ACSIM	
			<b>.X</b> Family housing	ACSIM	
<b>continued on next page</b>			<b>continued on next page</b>		

**Table 9-6. Budget Activity Management Structure for Operation and Maintenance Appropriations**

.D Supply and storage facilities <i>continued in right column, previous page</i>		ACSIM	<b>AMSCO xxxx93</b>		
			Demolition of real property		ACSIM
<b>Operation and Maintenance—Army National Guard, U.S. Army Reserve</b>					
Records resources for Army management structure code (AMSCO) nnnNxx, where nnn shows budget subactivity and N is constant for Army National Guard. (See chap AO-2065.106, DFAS-IN Manual 37-100-** for further information.) For the Army Reserve, a constant R replaces the N in the code. (See chap AO-2080.106, DFAS-IN Manual 37-100-** for further information.)			n	Budget activity (BA)	
			nn	Activity group (01 level)	
			nnn	Budget subactivity	
<b>Army National Guard</b>					
<b>Code</b>	<b>Description</b>	<b>Manager<sup>1</sup></b>	<b>Code</b>	<b>Description</b>	<b>Manager<sup>1</sup></b>
	<b>BA 1: Operating forces</b>	<b>DARNG</b>	132	Real property maintenance	
<b>11</b>	<b>Land forces</b>		133	Management and operational headquarters	
111	Divisions		135	Weapons of mass destruction	
112	Corps combat forces			<b>BA 4: Administration and service-wide activities</b>	<b>DARNG</b>
113	Corps engineers		<b>43</b>	<b>Service-wide support</b>	
114	Echelon above corps–forces		431	Staff management	
115	Land forces operations support		432	Information management	
<b>12</b>	<b>Land forces readiness</b>		433	Readiness and personnel administration	
122	Land forces system readiness		434	Recruiting and advertising	
123	Land forces depot maintenance				
<b>13</b>	<b>Land forces readiness support</b>				
131	Base operations support (land forces readiness support)				
<b>U.S. Army Reserve</b>					
<b>Code</b>	<b>Description</b>	<b>Manager<sup>1</sup></b>	<b>Code</b>	<b>Description</b>	<b>Manager<sup>1</sup></b>
	<b>BA 1: Operating forces</b>	<b>CAR</b>	<b>13</b>	<b>Land forces readiness support</b>	
<b>11</b>	<b>Land forces</b>		131	Base operations support	
111	Divisions		132	Real property maintenance	
112	Corps combat forces		135	Additional activities	
113	Corps engineers			<b>BA 4: Administration and service-wide activities</b>	<b>CAR</b>
114	Echelon above corps–forces		<b>43</b>	<b>Service-wide support</b>	
115	Land forces operations support		431	Administration	
<b>12</b>	<b>Land forces readiness</b>		432	Service-wide communications	
121	Forces readiness operations support		433	Personnel and financial administration	
122	Land forces system readiness		434	Recruiting and advertising	
123	Depot maintenance				
<b>Note.</b> <sup>1</sup> Manager for functional requirements and program and performance.					

**SECTION XV**  
**SUMMARY AND REFERENCES****9-74. Summary**

a. This account describes how, at the beginning of 2001, the PPBS and its Army PPBES counterpart produce a departmental plan, program, and budget. From its inception in 1962, the PPBS has evolved continuously in terms of system responsibilities, framework, and products, leading over time to greater participation by the Joint Staff, Services, and CINCs. Figure 9-8 lists the events occurring in a typical PPBS/PPBES cycle. Figure 9-9 shows the organizational framework within which the process operates.

b. The Army's PPBES serves as its primary resource management system. It differs from the DOD counterpart in two ways. First, the PPBES merges programming and budgeting into a single, integrated programming-budgeting phase. Next, the PPBES adds execution as a distinct system phase.

c. The PPBS/PPBES ties strategy, program, and budget all together. It helps build a comprehensive plan in which budgets flow from programs, programs from requirements, requirements from missions, and missions from national security objectives. The patterned flow—from end purpose to resource cost—defines requirements in progressively greater detail.

**9-75. References**

- a. DOD Instruction 7045.7, *Planning, Programming, and Budgeting System*.
- b. CJCS Instruction 3100.01, *Joint Strategic Planning System*.
- c. Army Regulation 1-1, *Planning Programming, Budgeting, and Execution System*.

