PPBE is...

• A DoD-wide annual process which...
  – Provides civilian control and strategic direction
  – Ensures DoD stakeholders have a voice in the development of the President’s Budget
  – Provides a basis for justifying budget requests to the White House and Congress for both peace-time budgets and cost-of-war budgets, but not for Supplemental Requests

• Calendar driven!
Agenda

• Background
• Planning
• Programming and Budgeting
  – Navy
  – OSD
• Role of Congress
• Execution
• Wrap-Up
Colors of Money -- Appropriation Time Line

One Year
- OPERATIONS & MAINTENANCE
- MILITARY PERSONNEL

Two Year
- RESEARCH & DEVELOPMENT

Three Year
- PROCUREMENT

Five Year
- SHIPBUILDING & CONVERSION/ MILITARY CONSTRUCTION

OPERATIONS & SUPPORT

INVESTMENT
DoD FY14 - Enacted by Congress

By DoD Department

- Defense-Wide: 19%
  - $110.0B
- Army: 27%
  - $157.6B
- Navy: 24%
  - $134.7B
- Air Force: 26%
  - $150.4B
- USMC: 4%
  - $24.6B

These numbers do NOT exceed the Budget Control Act limits and are not subject to sequestration.

FY 2014 Defense Budget Enacted by Congress

Base: $493.2B
OCO: $85.2B
Total: $578.4B

Investment Accounts

- Proc: 19%
  - $99.9B
- RDTE: 11%
  - $63.1B
- Ops & Maint: 38%
  - $209.4B
- Military Personnel: 24%
  - $136.8B
- Other: MilCon, Family Housing, Revolving Funds: 4%
  - $23.4B
- DHP: 6%
  - $33.6B

Readiness Accounts
# Preview of One Cycle – Building POM 16

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## Planning
- **Service inputs for drafting guidance**
- SecDef Planning
- Service Program Assessments
- Service Program Development
- SecDef DPPG & Fiscal Guidance, COCOM IPLs
- Service POM Deliberation & Approval

## Service Programming & Budgeting
- Service Budget Review
- POM/BES Submission to OSD
- OSD Program & Budget Review
- Warfighter Input

## Congressional Review & Approval
- Component POM Briefs and Issue Nominations
- COCOM Issue Briefs / CAPE-led Issue Disposition
- USD(Comp) / OMB Hearings
- USD(Comp) RMDs / COCOM and Service Chief MBIs
- SECDEF brief to President, OMB Submit
- President's Budget
- Committee Hearings
- Committee Action
- Full House and Senate Action

## Execution
- Budget Execution
- Warfighter Input
- OSD Program & Budget Review
- Congressional Review & Approval
- Service Programming & Budgeting
- Planning

---

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Planning Phase

SECDEF

Service Secretary

Service inputs to draft Planning Guidance
SecDef Guidance for Service Planning

2013
A S O N D J F M A M J J A S O N D

2014

2015
J F M A M J J A S O N D J F

2016

FY16-20
PPBE Cycle

August thru January
DOD Planning

• Six “Gold Standard” documents:
  – Quadrennial Defense Review (QDR)
  – Strategic Choices and Management Review (SCMR)
  – National Defense Strategy (NDS)
  – National Military Strategy (NMS)
  – Defense Planning and Programming Guidance (DPPG)
  – Guidance for the Employment of the Force (GEF)
  – Unified Command Plan (UCP)

Generally published every two to four years
Primary Missions of U.S. Armed Forces

1. Counter Terrorism and Irregular Warfare
2. Deter and Defeat Aggression
3. Project Power Despite Anti-Access/Area
4. Counter Weapons of Mass Destruction
5. Operate Effectively in Cyberspace and Space
6. Maintain a Safe, Secure, and Effective Nuclear Deterrent
7. Defend the Homeland and Provide Support to Civil Authorities
8. Provide a Stabilizing Presence
9. Conduct Stability and Counterinsurgency Operations
10. Conduct Humanitarian, Disaster Relief, and Other Operations

= Basis for establishing DoD Capacity
Service Programming and Budgeting Process

"Hey, bucko...I'm through begging."

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- **Service Program Assessment / Service POM Development**
- **Service POM Approval by Service Secretary**
- **BSO Budget Submits**
- **Service Comptroller Budget Reviews**
- **POM/Budget Submission to OSD**

**FY16-20 PPBE Cycle**

September Through July
BUMED Resources Organization (M8)

Central Player in Obtaining and Defending Funding for Naval Medicine

Mr. Joseph Marshall
Deputy Chief of Staff Resources
Program Objective Memorandum (POM)

POM

- An annual document
- Product of the programming phase of the PPBE
- Describes and recommends total DOD component resource and program objectives to SECDEF
- Continues for approximately 16 months – from front-end assessments in August through OSD decisions the following November
- Addresses “capabilities” within the PPBE construct
- Remains in the Pentagon; only the PresBud goes to the Congress
CNO / CMC / SECNAV Staff Review, Balancing & Decisions

CNO/CMC REVIEWS
• Navy Resource Sponsors brief SPPs to VCNO & CNO; N80 / N8 brief options to VCNO & CNO
• USMC PEB Chairs brief PEB results to MROC; P&R briefs alternative COAs to MROC for recommendation to CMC
• Key focus on Core/Above Core
  – Political Factors / Effects on Warfighting / Fit with Planning Strategy
• CNO / CMC make preliminary decisions

SECNAV REVIEW
• Issues presented to senior DON leadership
  – OPA has role in assessing USN/USMC POM merge
• USMC / USN integrated
• SECNAV makes final decisions
• Outcome is the DON Internal POM for budget review
• Budget exhibits then prepared by Navy and USMC for NAVCOMPT Summer Review
Converting the POM to a Budget

**Program Objective Memorandum (POM)**
- SECDEF the customer
- Imprecise pricing (Gross $)
- Uniformed lead
- Consider assessments
- Use prior year's execution data as guidance (not most current)
- Plan and assess by capability area

**Budget Estimate Submission (BES)**
- Congress the ultimate customer
- Precise pricing
- Secretariat lead
- Via issue papers & reclama reviews
- Use current execution data (based on reviews)
- Budget by appropriation
Comptroller Perspective

• $$$s belong to Service Chiefs
  – Not to Budget Submitting Offices (BSOs)
  – Not to Resource Sponsors

• Resources are finite
  – Funds must be executed in a timely manner to satisfy cost, schedule, performance metrics
  – Risk of poor execution -- losing in next cycle

• “Higher Level” priorities exist
  – Warfighter needs, cost of war, inflation adjustments, etc. – readiness bills that must be paid
Justification Books, a.k.a. “J Books”

- Documentation in support of a Service’s budget request
- There is a J-Book for each Service Appropriation
- J-Books contain hundreds of pages of supporting justification material

Service Comptrollers have lead for J-Book preparation – with support from Service Staffs

OSD Programming and Budgeting Phase

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- COCOM Issue Briefs and CAPE-led Issue Disposition
- USD (Comp) / OMB Hearings
- Budget RMDs and Service Chief MBIs
- SecDef Brief to President, OMB Submit
- President's Budget

FY16-20 PPBE Cycle
August Through Jan
Principal OSD Interfaces

- Secretary of Defense
- Deputy Secretary of Defense
- USD Comptroller Robert Hale
- Under Secretary of Defense Acquisition, Technology & Logistics (AT&L) Frank Kendall
- Director CAPE* Jamie Morin

Agreement exists between

- USD Comptroller
- Dir (CAPE)
- USD (AT&L)

...to have a single stance on each major program

* Cost Assessment and Program Evaluation (Formerly Program Analysis and Evaluation (PA&E))
OSD Program / Budget Review

AUG  SEP  OCT  NOV  DEC  JAN  FEB

OSD

Component POM Briefs → 3-Star Group

COCOM Issue Briefs

Electronic POM

JCS

Services
PEO/PM, SVC HQs COCOMs

CICS Program Assessment (CPA)

SECDEF
SLRG

Issue Disposition

Resource Management Decisions (RMDs)

Advance Questions / Hearings

Major Budget Issues (MBIs)

POM/BES Submission
updates the FYDP
(Service Databases “lock”)

Balanced PRESBUD Submission
updates the FYDP
(Database “locks”)

POM – Program Objective Memorandum
BES – Budget Estimate Submission
RMD – Resource Management Decision
SLRG – Senior Leadership Review Group
Major Budget Issues (MBIs)

• At the final stage of the OSD Budget Review, one last opportunity to take exception to proposed RMDs
  – MBIs are those issues that, if implemented, have so serious an impact on the Service/Department’s mission that they require the Service Secretary and Service Chief to personally work resolution with SECDEF and/or DEPSECDEF

• Service comptroller develops a list of potential MBIs and offsets during draft RMD deliberations
  – Service Comptroller with input from Service staffs approves issues to be forwarded to the Service Chief and Service Secretary for consideration
  – Service Chief and Service Secretary decide which MBIs and offsets they want to address and forward those issues to the 3-Star OSD/CAPE group
  – 3-Star group meets to resolve the MBIs and offsets
    • Also assists SECDEF implement any final Presidential guidance as the PB is completed

• Simultaneously, Service programmers identify and review offsets to fund the estimate of the final RMD-driven bill
  – Once MBI discussions complete, Services deliver the set of proposed offsets to OSD
  – OSD has the final word on which offsets are acceptable
President’s Budget (PB or PresBud)

• 3-Star OSD/CAPE panel
  – Prepares the SECDEF for his meeting with the President
  – Implements any new guidance resulting from the President’s final decisions on the size and composition of the Defense Budget

• The President makes the final decisions in December concerning the budget he will submit to Congress

• OSD submits the DOD budget request to OMB for incorporation into the PresBud submission
  – Detailed information and justification material is built into documents called Justification Books to accompany the President’s Budget submission to Congress

• President conducts the State of the Union address the last week in January and delivers budget to Congress by first Monday in February March
The United States Constitution –
Three Branches of Government

**Legislative Branch (Article 1)**
- **House of Representatives**
  - By population
  - 2 year terms
  - 435 total members
- **Senate**
  - 2 per state
  - 6 year terms
  - 100 total members
- **Authorities**
  - Laws, Taxes and Regulations
  - Declare war
  - Raise and support Armies
  - Provide and maintain a Navy
  - Advise and Consent (Senate)

**Executive Branch (Article 2)**
- **President**
  - 4 year terms (2 max)
  - 3 roles:
    - Chief Executive
    - Head of State
    - Commander-in-Chief
- **Vice President**
  - Succeed to or Act as President
  - President of the Senate
- **(Most) All Government Agencies and Departments:**
  - Defense
  - State
  - Homeland Security
  - Justice
  - Transportation, Commerce, Labor, VA, Ag, Ed, Energy, HHS, HUD, Treasury, Interior

**Judicial Branch (Article 3)**
- **Supreme Court**
  - 1 Chief Justice and 8 Associate Justices
- **Federal Courts are established by Congress**
  - US Court of Appeals (12)
  - US District Courts (94)
Article I, Section 8
The Congress shall have power to declare war ... raise and support armies ... provide and maintain a navy ... make rules for the government and regulation of the land and naval forces.

Oversight -- It’s Constitutional
113th Congress, 2nd Session

• Senate
  – Democrats:  53
  – Independent:  2 (caucus with Democrats)
  – Republicans:  45

• House
  – Democrats:  201
  – Republicans:  232

  • Rep Young (FL-13) died 18 Oct; Primary Election 14 Jan; General Election 11 March
  • Rep Radel (FL-19) resigned 27 Jan

Source: Office of the Clerk, US House of Representatives

Last Update: January 28, 2014
Political Environment and Institutional Culture

- 2-year election cycle, multi-million dollar campaigns
- Shared power
  - Between parties
  - Federal vs. state
  - With other branches
- Seniority among Members
  - Organizational basis
  - Set committee leadership
- Senior professional (committee) staff
- Young personal staff
- Information is power
  - Bad news doesn’t get better with time
  - Provide knowledge and insight
- Schedule-driven
  - Limited opportunities to interact
- Term limits
Terminology

- **Authorization** (Statute provided by the Legislative Branch)
  - Establish, continue or modify programs and set maximum funding levels and are a prerequisite under House and Senate rules for the Congress to appropriate budget authority for programs.

- **Appropriations** (Statute provided by the Legislative Branch)
  - Provides Budget Authority (BA) for Federal Agencies to incur obligations and to make payments for specified purposes.

- **Budget**
  - Revenue and spending plan.

- **Budget Authority (BA)**
  - The authority to incur legally binding obligations of the Government which will result in immediate or future outlays (BA is provided by Congress in form of enacted Appropriations).

- **Total Obligational Authority (TOA)**
  - TOA is a DoD financial term which expresses the value of the DIRECT Defense program for a fiscal year.

- **Obligation**
  - A liability incurred by the government (a signed contract for goods or services).

- **Outlays**
  - Expenditures, are the liquidation of Government’s obligations. Outlays generally represent cash payments.
“Civics 101” – A Refresher

- Congress is organized into two chambers
  - The House of Representatives (435 + 6 non-voting)
  - The Senate (100)
- Congress creates policy and appropriates funding
- Congressional legislation becomes law when it is signed by the President
  - Exception: Veto override by 2/3 vote of both House and Senate
- Every two years, at the beginning of a new term, Congress reorganizes itself and chooses its leaders
  - Speaker of the House and Senate Majority Leader are chosen by members of the majority party in their respective chamber
- We are currently in the “113th Congress, 2nd Session”
- There are two 1-year sessions in each “Congress”
  - First session: Odd-numbered years
  - Second session: Even-numbered years
How Our Laws Are Made

**Authorization Bill**

HASC → Full House → Conference → Full House → Auth. Bill → President Signs

SASC → Full Senate → Conference → Full Senate

*Press coverage/opportunities at each point in process...*

**Appropriations Bill**

HAC → Full House → Conference → Full House → Approps Bill → President Signs

SAC → Full Senate → Conference → Full Senate
## Congress by Committee

### Senate Standing Committees (16)

- Agriculture, Nutrition, and Forestry
- Appropriations
- Armed Services
- Banking, Housing, and Urban Affairs
- Budget
- Commerce, Science, and Transportation
- Energy and Natural Resources
- Environment and Public Works
- Finance
- Foreign Relations
- Health, Education, Labor, and Pensions
- Homeland Security and Governmental Affairs
- Judiciary
- Rules and Administration
- Small Business and Entrepreneurship
- Veterans' Affairs

### House Standing Committees (20)

- Agriculture
- Appropriations
- Armed Services
- Budget
- Education and the Workforce
- Energy and Commerce
- Ethics
- Financial Services
- Foreign Affairs
- Homeland Security
- House Administration
- Judiciary
- Natural Resources
- Oversight and Government Reform
- Rules
- Science, Space, and Technology
- Small Business
- Transportation and Infrastructure
- Veterans’ Affairs
- Ways and Means

### 4 Joint and 4 Special/ Select Committees

“Congress in session is Congress on public exhibition, whilst Congress in its committee-rooms is Congress at work.”

**Woodrow T. Wilson, 28th President of the United States, 1913-1921**
Defense Committee Outputs/Products

- Reports accompany respective bills
  - HASC, SASC reports effective upon adoption
  - HAC-D, SAC-D reports may be amended by conference
- Conference reports
- Report language
  - Effective immediately, authorization language not conferenced
  - Does not carry the force of law, but ignore at your own peril
  - Directive
    - Requires specific action .... “The Senate ... directs the Secretary of the Army to submit a report to the congressional defense committees ...”
  - Non-directive
    - “The committee notes that none of this reduction should be applied against ...”
- Bill language
  - Statutory: public law, US Code
    - Written by Office of Legislative Counsel
    - Identified by title, section, paragraph
      - E.g., 10 USC §2466 (a)
    - Must be conferenced between House and Senate
    - Effective after President signs bill into law
SEC. 124. LIMITATION ON AVAILABILITY OF FUNDS FOR LITTORAL COMBAT SHIP.

Not later than 60 days after the date of the enactment of this Act, the Chief of Naval Operations, in coordination with the Director of Operational Test and Evaluation, shall submit to the congressional defense committees a report on the current concept of operations and expected survivability attributes of each of the Littoral Combat Ship seaframes.
How Our Laws Are *Sometimes* Made

**Approps or Authorization Bill**

- HASC → Full House
- SASC → Full Senate
- Full House → Conference
- Full Senate → Conference
- Conference → Auth. Bill
- Auth. Bill → President Signs

"Pre-Conference"

The House and Senate roles can be reversed

Press coverage/opportunities remain at each point in process...
House and Senate Rules

“Each House may determine the Rules of its Proceedings”

-- US Constitution, Article 1, Section 5

House

- Rules adopted Jan 2013 (113th Congress)
- Majority Rules – the Speaker
- House Rules Committee
  - All bills pass from Committee of jurisdiction through Rules Committee
  - Sets terms and conditions for Floor debate to be approved by full House
- Amendments must be germane

Senate

- Rules adopted Apr 2000 (2/3 vote to change)
- Individual rights of Senators
- Unanimous Consent – privately negotiated agreements
- Holds – informal custom honored by Party leaders
- Cloture – limits debate, 3/5 vote
  - “Nuclear Option” for Executive Appointments
- Non-germane amendments allowed (unless UC says no)

Political Party Rules – only the House Republican Conference releases its own rules.
Lobbyists

- Provide information
- Seek to influence outcomes
- Professional (i.e. paid) and volunteer
- Protected activity under First Amendment (free speech, assembly and petition)
- Regulated industry

Do government agencies lobby Congress?

DoDD 5142.01: “Legislative Liaison. Legislative liaison activities are the direct, daily, and personal contact on a continuing basis made by representatives of the Department of Defense with members and committees of the U.S. Congress and their staffs for the purpose of presenting, justifying and defending the DoD, or a DoD Component’s, legislative program.”
Role of Military Liaison Offices

- Support Service Secretary and Service Chief in preparing testimony, briefings, and in preparing for / making office calls on House, Senate members
- Present briefings as requested
- Staff responses to Requests for Information (RFIs) via “Information to Members of Congress”
- Staff responses to Questions for the Record (QFRs)
- Respond to congressional inquiries and case work
- Support CODELs and Staff DELs

*Interactions are year-round & at many levels*
Surgeon General’s Key Points

• **Navy Medicine’s Mission:** Force Health Protection

• Provide world-class care for Sailors, Marines, their families and other beneficiaries around the globe, anytime, anywhere

• Deliver a continuum of care from the battlefield to the bedside and from the bedside to unit, family, or transition

• Operate forward and promote and protect the fleet and Marine forces

• Combat casualty care

• Help Sailors and Marines suffering with traumatic brain injury and post-traumatic stress disorder

• Provide a comprehensive and holistic approach to wounded warrior recovery for service members and their families
113th Congress: Congressional Report Language - Appropriations

- HAC-D Report 113-113
  - “The Committee recommends funding to augment the request for enduring Traumatic Brain Injury and Psychological Health and Wounded, Ill and Injured requirements. To address these challenges of the Defense Health Program, the Committee recommends the following:
  - Traumatic Brain Injury and Psychological Health Research ............. $125,000,000 “ (plus up to RDTE, DHP)
- SAC Report 113-85
  - “Traumatic Brain Injury [TBI]/Psychological Health [PH].—The Committee recommends $60,000,000 above the fiscal year 2014 budget request for continued research into treatment and prevention of traumatic brain injuries and improved psychological health.” (PG 189)
  - “The Committee directs the Assistant Secretary of Defense (Health Affairs) to submit a report to the congressional defense committees within 180 days of enactment of this act on expenditure and obligation data of additional funding added by Congress for psychological health and traumatic brain injury. This report should include information on agreements made with other Government agencies.” (pg 189)

$60M added by Congress in FY14

Last Update: Jan 28, 2014
Sequestration

- The concept was lifted from the Balanced Budget and Emergency Deficit Control Act of 1985
  - Objective of sequester then (and now) was to force compromise and action
- The imperative: U.S. budget debt and deficit continue to grow and need to be addressed
  - Debt currently nearing $17 trillion and another debt ceiling increase will be required
- Previous studies and commission findings have not received Congressional support: Domenici & Rivlin; Simpson & Bowles
- Budget Control Act (BCA) of 2011 placed binding caps on discretionary spending each year over next decade, and:
  - Formed the Joint Select Committee on Deficit Reduction to find $1.5T in deficit reduction over 9 years (FY12-21)
  - If unable to develop plan and get Congressional approval, sequestration would force $1.2T in deficit reduction
- The “Super Committee” failed, so the poison pill remains
- The American Taxpayer Relief Act of 2012 delayed onset 60 days and reduced amount for FY13
- Bipartisan Budget Act of 2013 (Ryan-Murray) adjusted spending limits for FY14 and FY15

Sequestration started March 1, 2013
Sequestration: How the Automatic Cuts Work

$1.2 Trillion Sequester (2013-2021)

$984 Billion Sequester (split evenly over 9 years, $109 bn/yr)

Assumed Debt Service Savings $216 bn

Examples of “Other Mandatory Cuts” include:
- Community and migrant health centers
- Indian health services and facilities (limit 2%)
- Farm price supports

Source: Bipartisan Policy Center - Task Force on Defense Budget and Strategy June 2012
DoD Budget FY00-18 and Sequestration Caps

PB14 FYDP

PB15 release expected 4 March

DoD limit from Budget Control Act of 2011 (sequestration) (updated by Bipartisan Budget Act of 2013 – FY14 and FY15)
The Future of Sequestration ....?

• Amended by Bipartisan Budget Act (BBA) of 2013 for FY14 and FY15, but
  – It remains the law ... until 2021

• “Grand Bargain” opportunity in 2014?
  – BBA and Omnibus appropriation act removed the urgency to act in near term
  – Debt ceiling was lifted until 7 Feb by Default Prevention Act of 2013 (in conjunction with Continuing Resolution for FY14)
    Ø US Govt expected to reach new debt ceiling in Spring 2014
    Ø Legislation required to raise the debt ceiling
  – Patient Protection and Affordable Care Act (PPACA) aka Obamacare

• Elections and Mandates: 2014, 2016, 2018, ...

Negotiate, Posture, Compromise, Stand Firm, Make a Deal... ???
Congressional Lessons Learned

• Members of Congress don’t like surprises
  – Bad news doesn’t get better with time
  – Be consistent, reliable and responsive
  – Provide knowledge and insight

• Focus your efforts on four principal committees / subcommittees
  – Certain members are more influential than others
  – Know when, where and with whom to interact

• Relationships are key
  – Need to develop over the long run
  – Focus efforts on your representative or senators

• Turn obstacles into opportunities

• “All politics is local”
  – Jobs, Jobs, Jobs

• Debt and deficit issues are here to stay

Be proactive vs. reactive
Execution Phase

What happens if you can’t spend all your money?

Don’t ask !!!

Wait I’m at 87%

Too little.. Too Late !!!!

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|       | J    | J    | A    | S    | O    | N    | D    | J    | J    | A    | S    | O    | N    | D    | J    | F    | Execution | October through September +++

FY16-20 PPBE Cycle
DoN Budget Request for FY14 - Enacted

**MilPers: $45.4B**
- Basic Pays $18.6
- Housing Allowance $7.5
- Retired Pay Accrual $6.0
- Health Accrual $2.1
- Reserve Pays & Allow $2.6
- Subsistence $2.1
- Allowances $1.1
- Special Pays $1.8
- Other $3.6

**Procurement: $43.5B**
- Aircraft $17.9
- Ships $14.3
- Weapons $3.1
- Marine Corps $1.3
- Ammunition $0.6
- Other Navy Procurement $6.3

**O&M: $48.5B**
- Ship Ops & Maint $11.2
- Aviation Ops & Maint $8.6
- Base Ops & Support $7.5
- Marine Corps O&M $6.3
- Combat/Weapons Support $5.5
- Service Ward Support $4.7
- Training and Educat $1.8
- Reserve O&M $1.8
- Enviro Restoration $0.3
- Mobilization $0.9

**R&D: $16.0B**
- Basic Research $0.6
- Applied Research $0.8
- Advance Tech Dev $0.6
- Adv Combat/Int Dev $4.7
- System Dev & Demo $5.0
- Management Support $0.9
- Ops Systems Dev $3.4

**Infrastructure: $2.3B**
- MILCON $1.7
- BRAC $0.1
- Family Housing $0.5

**FY14: $155.8B**

**OCO: $13.7B**

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HR 3547 (Public Law 113-76)
# Budget Execution Year – in brief

## Notional activities during the Fiscal Year

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- **Budget Authority released by OMB to OSD, then from USD(C) to Service Comptroller, to lower echelon comptrollers/PMs**

- **Monitor execution (obligation and expenditure rates, emerging “fact-of-life” issues)**

- **Performance review**

- **New contracts are let**
  - Conduct Mid-Year Review (all echelons) in Feb-Mar timeframe
  - Apply funding held in reserve for emergent problems; release withheld budget authority as required
  - Identify “sweep up” funds from under-executing programs; shift to other programs (within flex limits)
  - Transfer authority approval for reprogramming

- **Adjustments: Funding held in reserve, Withholds, Taxes, Reprogramming**

- **Adjustments: Reprogramming (BTR and ATR)**

- **End of year closeout**
# Funding Execution: Reductions and Withholds

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<th>Reduction/Withhold</th>
<th>Description</th>
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<td>Congressional cut</td>
<td>Congressional reduction to a program’s PB request (funds not yet appropriated)</td>
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<tr>
<td>Congressional General Reduction (CGR)</td>
<td>Across-the-board reduction to an appropriated funding category</td>
</tr>
<tr>
<td>Small Business Innovative Research (SBIR)</td>
<td>Reduction to RDT&amp;E funding for small business efforts</td>
</tr>
<tr>
<td>OSD withhold</td>
<td>Appropriated funding held back by OSD</td>
</tr>
<tr>
<td>Service withhold</td>
<td>Appropriated funding held back by Service to pay CGRs, SBIR, and other bills</td>
</tr>
<tr>
<td>Congressional rescission</td>
<td>Congressional reduction to program funds appropriated in a prior year</td>
</tr>
</tbody>
</table>

*Programs never receive all funds requested in the PB, even if Congress didn’t cut the program*
Take Aways

• PPBE is a process guided by SECDEF policy; internal deliberations are protected communications and not releasable
• PPBE is a “calendar-driven” process vice “event driven” as JCIDS and Acquisition
• PPBE framework supports resource allocation decisions that balance risk, affordability, and effectiveness of necessary warfighting requirements
• Strategic planning sets overarching direction and priorities for the PPBE process
  – DPPG and Service guidance are key for development of Service POM
• Each Service and Agency develops its own POM and Budget every year
• The Requirements Officer advocates for programs and monitor resources from year to year
• The FYDP is the database of all DoD personnel, equipment, and funding, arrayed by year
• Consolidated DoD budget request and FYDP goes to Congress as part of PresBud; POM remains within DoD
• A single year gets looked at numerous times

**PPBE Isn’t Suited for Conditions of Fiscal Uncertainty!**
Planning, Programming, Budgeting & Execution (PPBE)

THE ART OF DISTRIBUTING RESOURCES EQUITABLY