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 2003, 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 42d 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 of the U.S. 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 commanders of U.S. combatant commands in the PPBS. DepSecDef Taft

introduced procedures to allow combatant command commanders a greater voice in the process for developing Program Objective Memorandums (POMs) and the DRB Program Review. The procedures included: submission by the commanders of prioritized requirements (via integrated priority lists (IPLs)); tracking their concerns during POM development and execution; visibility of combatant command requirements in the POMs; enhanced participation by commanders in DRB program review; and an enhanced role for the Joint Chiefs of Staff (JCS) in the review and coordination of commander 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–Combatant command capabilities to participate effectively in the PPBS budget phase. Earlier decisions of the DRB gave commanders of combatant commands a role in the planning and programming phases of the PPBS. In October 1987, the DRB expanded the role of the commanders 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.

j. 2001–Bush/Rumsfeld. Emphasis on Defense Transformation marked the early months of the Bush Presidency, a focus abruptly broadened by the events of September 11, 2001. U.S. Defense spending has since markedly increased-due not only to additional costs of the war on terror but also to the end of the procurement holiday of the 1990s and the needs of Transformation. In a process change, DOD introduced closer program and budget correlation, requiring agencies to prepare a combined Program Objective Memorandum and Budget Estimate Submission (POM/BES) followed by an OSD concurrent program and budget review. Another initiative established a Senior Executive Council (SEC) to counsel the SecDef in applying sound business practices. Chaired by the SecDef, the council's membership comprises the DepSecDef, Under Secretary of Defense for Acquisition, Technology and Logistics, and the Secretaries of the Army, Navy, and Air Force.

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—

(1) The PPBES and develops and issues Armywide PPBES policy.

(2) All Army appropriations and serves as the sponsor for all appropriations except Army National Guard (ARNG) and U.S. Army Reserve (AR) appropriations. (See para 9–10d.)

(3) The U.S. Army Cost and Economic Analysis Center, which performs cost analysis functions in support of the PPBES and Executive Office of HQDA.

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

ASA(FM&C) manages the PPBES with the Deputy Chief of Staff, G–3, Deputy Chief of Staff, G–8, and Military Deputy for Budget and Execution acting as advisers. As provided in paragraphs 9–5, 9–6, and 9–7, below, the Assistant G–3, the Director of Program Analysis and Evaluation (DPAE), and the Director of the Army Budget (DAB) manage functional phases of the system, each establishing and supervising policies and procedures necessary to carry out phase functions.

9–5. Planning phase

a. Deputy Chief of Staff, G–3. Responsible for operations and planning functions, the Deputy Chief of Staff, G–3—

(1) Through the Assistant G–3—

(a) Manages the PPBES planning phase.

(b) Co-chairs the Planning Program Budget Committee (PPBC) with the Director of Program Analysis and Evaluation (DPAE), and Director of the Army Budget (DAB).

(c) Guides the work of Program Evaluation Groups (PEG) on planning matters, to include requirements determination, prioritization, and the integration of security cooperation issues per the Army International Activities Plan. (See Table 9–1 and para 9–33)

(d) Assesses capabilities, deficiencies, and risks of the Program Objective Memorandum (POM) force at the end of the current POM.

Table 9–1
Program Evaluation Groups

Title	Co-chairs	
Manning	ASA(M&RA)	G–1
Training	ASA(M&RA)	G–3
Organizing	ASA(M&RA)	AASA
Equipping	ASA(ALT)	G–8
Sustaining	ASA(ALT)	G–4
Installations	ASA(I&E)	ACSIM

(2) Serves as the principal adviser to the Chief of Staff, Army (CSA) on Joint matters, National Security Council (NSC) matters, and the politico-military aspects of international affairs.

(a) Provides HQDA with strategic analysis pertaining to national security issues involving international and regional arms control treaties, agreements, and policies.

(b) Plans for employment of Army forces to meet strategic requirements and shape Army forces for the future.

(3) Serves as overall integrator of Army transformation.

(a) Makes sure that military requirements reflect future Army strategy, planning guidance, and policy and that the capability and applicability of total Army forces remain synchronized with the National Security Strategy (NSS) and National Military Strategy (NMS).

(b) Provides the HQDA focal point for the organization, integration, and synchronization of decisionmaking, as well as for requirements definition, force structuring, training developments, and prioritization.

(4) Prepares Army Strategic Planning Guidance (ASPG) and Army Planning Priorities Guidance (APPG) as sections of The Army Plan (TAP); coordinates and publishes the TAP.

(a) Defines Army planning assumptions.

(b) Sets requirements and priorities based on guidance from the SecDef, Secretary of the Army (SECARMY), and CSA and priorities of the combatant commanders.

(c) Sets objectives to meet requirements and overcome shortfalls.

(5) Monitors and reports on current operations.

(a) Develops and coordinates policy, programs, and initiatives to achieve directed levels of individual, leader, and unit training readiness for the Army.

(b) Oversees Army readiness reporting requirements and the reporting of Army readiness to provide an accurate picture for prioritization and resourcing decisions within HQDA and externally.

(c) Assesses and coordinates support to US combatant commanders and, through the Army Component Command (ACC), provides the operational link between each combatant command, HQDA, and the Joint Staff.

(6) Performs all mobilization functions.

(7) Provides the HQDA focal point for executing military support to civil authorities.

(8) Executes the Continuity of Operations Program (COOP) for both HQDA and OSD, the Army Infrastructure Assurance Program, and the Domestic Preparedness Program provides support for special events.

(9) Provides the vision and strategy and manages the development of models and simulations.

(10) Develops policy and acts as the principal adviser to the CSA for information operations.

(11) Serves as proponent of the Training PEG. (See para 9–33.)

(12) Serves as proponent of programs within Future Years Defense Program (FYDP): programs 1–Strategic Forces, 2–General Purpose Forces, 4–Mobility, 10–Support of Other Nations, and 11–Special Operations Forces. Serves also as resource proponent for tactical intelligence, Army subprogram 3–Intelligence and proponent of Army subprogram 8–Training. (See para 9–12.)

(13) Manages force structure issues and manages functional requirements and program and performance for designated accounts of the Operation and Maintenance, Army appropriation. (See para 9–10 and Tables 9–2 through 9–8.)

b. Deputy Chief of Staff, G–8. Responsible for the execution of approved materiel requirements, the Deputy Chief of Staff, G–8—

(1) Provides the HQDA focal point for resourcing, force development, combat developments, and force integration across all DOTLM–PF domains (doctrine, organization, training, leader development, materiel, personnel, and facilities).

(2) With the Assistant Secretary of the Army (Acquisition, Logistics, and Technology) (ASA(ALT)), prepares the Research, Development, and Acquisition Plan (RDA Plan), which is represented by the database for the FYDP augmented for the Extended Planning Period (EPP).

(3) Prepares the Army Modernization Plan and helps prepare Army input to OSD's Defense Program Projection and Army comments on the Defense Planning Guidance (DPG).

(4) Serves as proponent of the Program Evaluation Group for Equipping. (See para 9–33.)

(5) Manages functional requirements for RDT&E and procurement appropriations. (See para 9–10b and Table 9–9.)

Table 9–2
Managers for manpower and force structure issues

Issue	Manager
Force structure/Unit Identification Code (UIC)/Resource Organization (Command) Code (ROC)	G–3
Military manpower (Active)	G–1
Army National Guard manpower	DARNG
U.S. Army Reserve manpower	CAR
Civilian (end strength and full time equivalents)	G–1
Individuals account	G–1
Army Management Headquarters Activities (AMHA)	G–1
Joint and Defense accounts	G–1

Table 9–3
Budget activity management structure for operation and maintenance appropriations

Code	Description	Manager[1]
	BA 1: Operating forces	
11	**Land forces**	G–3 Collective Training Division (DAMO–TRC)
111	Division	
112	Corps combat forces	
113	Corps support forces	
114	Echelon above corps (EAC)–support forces	
115	Land forces operations support	
12	**Land forces readiness**	
121	Force readiness operations support	G–3 Collective Training Division (DAMO–TRC)
122	Land forces system readiness	G–3 Training Simulations Division (DAMO–TRS)
123	Land forces depot maintenance	G–4 Directorate of Sustainment (DALO–SM)
13	**Land forces readiness support**	
131	Base operations support	ACSIM Resources Division (DAIM–ZR)
132	Sustainment, Restoration, and Modernization (land forces readiness support)	ACSIM Resources Division (DAIM–ZR)
133	Management and operational headquarters	G–1 Manpower Policy, Plans, and Program Division (DAPE–PRA)
134	Unified commands	
135	Additional acitivities	G–3 Resources and Programming Division (DAMO–TRP)
	BA 2: Training and recruiting	
21	Mobility operations	G–3 Collective Training Division (DAMO–TRC)
211	Strategic mobility	G–3 Collective Training Division (DAMO–TRC)[2] G–4 Directorate for Force Projection/Distribution (DALO–FP)[3]

Table 9–3
Budget activity management structure for operation and maintenance appropriations—Continued

Code	Description	Manager[1]
212	War Reserve	G–3 Collective Training Division (DAMO–TRC)[2]
		G–4 Directorate for Force Projection/Distribution (DALO–FP)[3]
213	Industrial preparedness	G–4 Directorate for Force Projection/Distribution (DALO–FP)[3]
214	Prepositioned materiel configured to unit sets (POMCUS)	G–3 Collective Training Division (DAMO–TRC)[2]
		G–4 Directorate for Force Projection/Distribution (DALO–FP)[3]
BA3: Training and recruiting		
31	**Accession training**	
311	Officer acquisition	G–3 Institutional Training Division (DAMO–TRI)
312	Recruit training	G–3 Institutional Training Division (DAMO–TRI)
313	One station unit training	G–3 Institutional Training Division (DAMO–TRI)
314	Senior Reserve Officers' Training Corps	G–3 Institutional Training Division (DAMO–TRI)
315	Service Academy base support	ACSIM Resource Division (DAIM–ZR)
316	Sustainment Restoration, and Modernization	ACSIM Resource Division (DAIM–ZR)
32	**Basic skill and advance training**	
321	Specialized skill training	G–3 Institutional Training Division (DAMO–TRI)
322	Flight training	G–3 Institutional Training Division (DAMO–TRI)
323	Professional development education	G–3 Institutional Training Division (DAMO–TRI)
324	Training support	G–3 Institutional Training Division (DAMO–TRI)
325	Base support	ACSIM Resource Division (DAIM–ZR)
326	Sustainment, Restoration, and Modernization	ACSIM Resource Division (DAIM–ZR)
33	**Recruiting, and other training and education**	
331	Recruiting and advertising	G–1 Resource Division (DAPE–PRR)
332	Examining	G–1 Resource Division (DAPE–PRR)
333	Off duty and voluntary education	G–1 Resource Division (DAPE–PRR)
334	Civilian education and training	G–1 Resource Division (DAPE–PRR)
335	Junior Reserve Officer Training Corps	G–1 Resource Division (DAPE–PRR)
336	Base support–recruiting and examining	ACSIM Resource Division (DAIM–ZR)
BA 4: Administration and servicewide activities		
41	**Security programs**	G–2 Directorate for Resource Integration (DAMI–RI)
411	Security programs	
42	**Logistics operations**	G–4 Directorate for Sustainment (DALO–SM)
		G–4 Directorate for Force Projection/Distribution (DALO–FP)
421	Servicewide transportation	
422	Central supply activities	
423	Logistics support activities	
424	Ammunition management	
43	**Servicewide support**	
431	Administration	R/–G–1 Manpower Policy, Plans, and Programs Division (DAPE–PRA)
432	Servicewide communications	–CIO/G–6 Program Execution Div (SAIS–ZR)
433	Manpower management	G–1 Resource Division (DAPE–PRR)
434	Other personnel support	G–1 Resource Division (DAPE–PRR)
435	Other service support	Various
436	Army claims and administrative support activities	TJAG
437	Real estate management	ACSIM Resource Division (DAIM–ZR)
438	Base support	ACSIM Resource Division (DAIM–ZR)
439	Defense Environmental Restoration Account (DERA) (FY 94–95)	None
44	**Support of other nations**	G–3 international Plans, Policy, Programs, and integration Division (DAMO–SSI)
441	International military headquarters	
442	Miscellaneous support of other nations	
45	**Closed account**	**None**
49	**Defense Environmental Restoration Account (DERA) (FY96)**	**None**

Legend for Table 9-3:

Army manpower and total obligation authority

n Budget activity (BA)

nn Activity group (01 level)

nnn Budge subactivity

Records resources for Army Management Structure Code (AMSCO) nnn***, where nnn shows budge subactivity. (See chaps AO–2020a-d, h, and j, DFAS–IN Manual 37–100-*** for further information)

Notes:

[1] Manager for functional requirements and program and performance except as noted.

[2] Manager for functional requirements

Table 9–4
Budget activity managment structure for operation and maintenance appropriations—Army manpower only activity structure

Code	Description	Manager[1]
	Category 8: Medical activities, manpower only–reimbursable labor	
84	**Medical manpower–reimbursable**	TSG Manpower and Programming Division (DASG–PAE–M)
841	Examining activities	
846	Training medical spaces	
847	Care in Army medical centers	
849	Defense medical spaces	
	Category 9: Other–manpower only	
91	**Special operations forces manpower–reimbursable**	G–1 Manpower Policy, and Program Division (DAPE–PRA)
92	**Defense agency manpower (military only)**	
93	**Outside Department of Defense**	
94	**Transients, holdees, and operating strength deviation**	

Legend for Table 9-4:

Manpower-only activity structure

The PPBES database generates categories 8 and 9 to meet manpower reporting requirements. Category 8 records resources for AMSOC 84n*** where n-1, 6, or 7 shows the budget subactivity, category 9 records resources for AMSCO 9n****, where n=1, 2, 3, or 4 shows the 0–1 level structure.

Notes:

[1] Manager for functional requirement and program except as noted.

[2] Manager for functional requirements.

[3] Manager for program and performance.

Table 9–5
Budget activity managmenet structure for operation and maintenance appropriation—Base operations support (BOS)

Code	Account	Manager[1]
AMSCO	******19, ****20**	ACSIM Resource Division (DAIM–ZR)
	Child develop services, family centers	
AMSCO	******53, ****54, ****56**	ACSIM Resource Division (DAIM–ZR)
	Environmental conservation, pollution prevention, environmental compliance	
AMSCO	******75**	ACSIM Resource Division (DAIM–ZR)
	Ant-terrorism/Force protection	
AMSCO	******79 (Real Property Services)**	
.J0	Operation of utitlities	ACSIM Resource Division (DAIM–ZR)
*.M0	Municipal Services	ACSIM Resource Division (DAIM–ZR)
.N0	Facilities engineering services	ACSIM Resource Division (DAIM–ZR)
.P0	Fire and emergency response services	ACSIM Resource Division (DAIM–ZR)
AMSCO	******90**	–CIO/G–6 Program Execution Div (SAIS–ZR)[2]
	Audio visual and visual information production, acquisition, and support	ACSIM Resource Division (DAIM–ZR)[3]
AMSCO	******95**	–CIO/G–6 Program Execution Div (SAIS–ZR)[2]
	Base communications	ACSIM Resource Division (DAIM–ZR)[3]
AMSCO	******96 (Base Operations Support) (BASOPS(-))**	
.A0	Real estate leases	ACSIM Resource Division (DAIM–ZR)
.B0	Supply operations and management	G–4 Directorate for Sustainment (DALO–SM)
.C0	Materiel maintenance	G–4 Directorate for Sustainment (DALO–SM)
.D0	Transportation services	G–4 Directorate for Sustainment (DALO–SM)
.E0	Laundry and dry-cleaning services	G–4 Directorate for Sustainment (DALO–SM)
.F0	The Army food service program	G–4 Directorate for Sustainment (DALO–SM)
.K0	Civilian personnel management	R/–G–1
.L0	Morale, welfare, and recreation	ACSIM Resource Division (DAIM–ZR)
.M0	Military personnel support	R/–G–1
.Q0	Reserve component support	ACSIM Resource Division (DAIM–ZR)
.U0	Financial management	ASA(FM&C)
.V0	Management analysis	ASA(FM&C)
.W0	Contracting operations	ASA(ALT) Plans, Programs and Resources Directorate (SAAL–RI)
.X0	Information technology, management and planning	–CIO/G–6 Program Execution Div (SAIS–ZR)[2] ACSIM Resource Division (DAIM–ZR)[3]
.Y0	Administrative services	–CIO/G–6 Program Execution Div (SAIS–ZR)[2] ACSIM Resource Division (DAIM–ZR)[3]
.10	Provost Marshal	G–3 Security, Force Protection, and Law Enforcement (DAMO–ODL)

Table 9–5
Budget activity managmenet structure for operation and maintenance appropriation—Base operations support (BOS)—Continued

Code	Account	Manager[1]
.20	Staff Judge Advocate	ACSIM Resource Division (DAIM–ZR)
.30	Chaplain	ACSIM Resource Division (DAIM–ZR)
.40	Public affairs	ACSIM Resource Division (DAIM–ZR)
.50	Inspector General	ACSIM Resource Division (DAIM–ZR)
.60	Installation management	ACSIM Resource Division (DAIM–ZR)
.70	Operations	ACSIM Resource Division (DAIM–ZR)
.90	Unaccompanied personnel housing management	ACSIM Resource Division (DAIM–ZR)

Legend for Table 9-5:

Base Support

Base Operations Support (BOS) applies to subacitivity groups 131, 315, 325, 336, and 438

Base support refers to the resources to operate and maintain Army installations (major, minor, stations, other). It comprises two subacitivity groups: Base Operations Support (BOS) and Sustainment, Restoration, and Modernization (SRM). Resources are recorded in Army Management Structure Code (AMSCO) and nnn*yy, where nnn shows budget subactivity group (SAG) and 77 designates specified subdivisions. Sometimes, resources are recorded as nnn*yy.z0, where .z0 refers to letter accounts, as below for BASOPS(-) and SRM. (See chap A9–BSSPT, DFAS–IN Manual 37–100-**** for further information.)

Notes:

[1] Manager for functional requirements and program and performance.

[2] Manager for functional requirements.

[3] Manager for program and performance.

Table 9–6
Budget activity management structure for operation and maintenance appropriations-Sustainment, Restoration, and Moderniztaion (SRM)

Code	Account	Manager[1]
AMSCO	****76	
.L0	Minor construction	ACSIM Resource Division (DAIM–ZR)
AMSCO	******78 (Maintenance and Repair)**	
.10	Surfaced areas (including bridges and other appurtenances)	ACSIM Resource Division (DAIM–ZR)
.20	Airfields, paved and unpaved (including bridges and other appurtenances)	ACSIM Resource Division (DAIM–ZR)
.40	Railroads (including bridges and other appurtenances)	ACSIM Resource Division (DAIM–ZR)
.50	Utility systems	ACSIM Resource Division (DAIM–ZR)
.A0	Maintenance and production facilities	ACSIM Resource Division (DAIM–ZR)
.B0	Training and operations facilities	ACSIM Resource Division (DAIM–ZR)
.C0	RDT&E facilities	ACSIM Resource Division (DAIM–ZR)
.D0	Supply and storage facilities	ACSIM Resource Division (DAIM–ZR)
.E0	Administrative facilities (including information technology facilities)	ACSIM Resource Division (DAIM–ZR)
.F0	Unaccompanied personnel housing facilities	ACSIM Resource Division (DAIM–ZR)
.G0	Other unaccompanied personnel housing facilities	ACSIM Resource Division (DAIM–ZR)
.H0	Dining facilities	ACSIM Resource Division (DAIM–ZR)
.Q0	Other facilities without facility category groups (FCG)	ACSIM Resource Division (DAIM–ZR)
.R0	Airfield facilities	ACSIM Resource Division (DAIM–ZR)
.S0	Training/instruction support facilities	ACSIM Resource Division (DAIM–ZR)
.T0	Ports	ACSIM Resource Division (DAIM–ZR)
.U0	Medical and hospital facilities	ACSIM Resource Division (DAIM–ZR)
.V0	Grounds	ACSIM Resource Division (DAIM–ZR)
.W0	Community support	ACSIM Resource Division (DAIM–ZR)
.X0	Family housing	ACSIM Resource Division (DAIM–ZR)
AMSCO	****93	
	Demolition of real property	ACSIM Resource Division (DAIM–ZR)

Notes:

[1] Manager for functional requirements and program and performance

Table 9–7
Budget activity management structure for operation and maintenance appropriations–Army National Guard

Code	Description	Manager[1]
	BA 1: Operating forces	**DARNG**[1]
11	**Land Forces**	
111	Division	
112	Corps combat forces	
113	Corps support forces	
114	Echelon above corps (EAC)–forces	
115	Land forces operations support	
12	**Land forces readiness**	
122	Land forces system readiness	
123	Land forces depot maintenance	
13	**Land forces readiness support**	
131	Base operations support (land forces readiness support)	
132	Sustainment, restoration, and Modernization	
133	Management and operational headquarters	
135	Weapons of mass destruction	
	BA 4: Administration and servicewide activities	**DARNG**[1]
43	**Servicewide support**	
431	Staff management	
432	Information management	
433	Readiness and personnel administration	
434	Recruiting and advertising	

Legend for Table 9-7:
Army National Guard
n Budget activity (BA)
nn Activity group (01 level)
nnn Budget subactivity

Notes:
[1] Budget Formulation Branch (NGB–ARC–BF): Manager for functional requirements and program and performance.
[2] Budget Branch (DAAR–CFM): Manager for functional rquirements and program and performance.

Table 9–8
Budget activity management structure for operations and maintenance appropriations–U.S. Army Reserve

Code	Description	Manager[1]
	BA 1: Operating forces	**CAR**[2]
11	**Land forces**	
111	Divisions	
112	Corps combat forces	
113	Corps support forces	
114	Echelon above corps (EAC)–forces	
115	Land forces operations support	
12	**Land forces readiness**	
121	Force readiness operations support	
122	Land forces system readiness	
123	Depot maintenance	
13	**Land forces readiness support**	
131	Base operations support	
132	Sustainment, Restoration, and Modernization	
135	Additional activities	
	BA 4: Administration and servicewide activities	**CAR**[2]
43	**Servicewide support**	
431	Administration	
432	Servicewide communications	
433	Personnel/financial administration	

Table 9–8
Budget activity management structure for operations and maintenance appropriations–U.S. Army Reserve—Continued

Code	Description	Manager[1]
434	Recruiting and advertising	

Legend for Table 9-8:
U.S. Army Reserve
n Budget activity (BA)
nn Activity group (01 level)
nnn Budget subactivity

Notes:
[1] Budget Formulation Branch (NGB–ARC–BF): Mangers for functional requirements and program and performance.
[2] Budget Branch (DAAR–CFM): Manager for functional requirements and program and performance.

Table 9–9
Army appropriations—managers for functional requirements and program and performance

Resource identification code	Appropriation (fund) [1]	Manager for Functional Requirements (R) Manager for Program and Performance ()
	Investment	
RDTE	Research, Development, Test, and Evaluation, Army	R–G–8 Programs and Priorities (DAPR–FDR) –ASA(ALT) Plans, Programs and Resources Directorate (SAAL–RI)
ACFT (APA)	Aircraft Procurement, Army	R– G–8 Programs and Priorities (DAPR–FDR) –ASA(ALT) Plans, Programs and Resources Directorate (SAAL–RI)
MSLS (MIPA)	Missile Procurement, Army	R– G–8 Programs and Priorities (DAPR–FDR) –ASA(ALT) Plans, Programs and Resources Directorate (SAAL–RI)
WTCV	Procurement of Weapons and Tracked Combat Vehicles, Army	R–G–8 Programs and Priorities (DAPR–FDR) –ASA(ALT) Plans, Programs and Resources Directorate (SAAL–RI)
AMMO (PAA)	Procurement of Ammunition, Army	R– G–8 Programs and Priorities (DAPR–FDR) R–G–4 Directorate for Sustainment (DALO–SM) –ASA(ALT) Plans, Programs and Resources Directorate (SAAL–RI)
OPA	Other Procurement, Army	R– G–8 Programs and Priorities (DAPR–FDR) –ASA(ALT) Plans, Programs and Resources Directorate (SAAL–RI)
	OPA 1	R– G–8 Programs and Priorities (DAPR–FDR) –ASA(ALT) Plans, Programs and Resources Directorate (SAAL–RI)
	OPA 2	R– G–8 Programs and Priorities (DAPR–FDR) –ASA(ALT) Plans, Programs and Resources Directorate (SAAL–RI) –CIO/G–6 Program Execution Div (SAIS–ZR)
	OPA 3	R– G–8 Programs and Priorities (DAPR–FDR) –ASA(ALT) Plans, Programs and Resources Directorate (SAAL–RI)
	OPA 4	R– G–8 Programs and Priorities (DAPR–FDR) –ASA(ALT) Plans, Programs and Resources Directorate (SAAL–RI)
MCA	Military Construction, Army [2]	R–ACSIM Facilities Division (DAIM–FD) –ACSIM Resources Division (DAIM–ZR)
MCNG	Military Construction, Army National Guard [2]	R–DARNG Engineering Directorate (NGB–AEN) –ACSIM ACSIM Resources Division (DAIM–ZR)
MCAR	Military Construction, Army Reserve[2]	R–CAR Army Reserve Engineer Directorate (DAAR–EN) – ACSIM Resources Division (DAIM–ZR)
CHEM	Chemical Agents and Munitions Destruction, Army	R– G–8 Programs and Priorities (DAPR–FDR) –ASA(ALT) Plans, Programs and Resources Directorate (SAAL–RI)
AFHC	Family Housing, Army (Construction)	R/– ACSIM Facilities Division (DAIM–FD)
	Operations	
ERA	Environmental Restoration, Army and Formerly Used Test Sites	R/–ACSIM Environmental Division (DAIM–ED)
BRAC	Base Realignment and Closure	R/–ACSIM BRAC Office (DAIM–BO)
AFHO	Family Housing, Army (Operations)	R/– ACSIM Facilities Division (DAIM–FD)
OMA	Operation and Maintenance, Army	See tables 9–3 through 9–8
OMNG	Operation and Maintenance, Army National Guard	See tables 9–3 through 9–8
OMAR	Operation and Maintenance, Army Reserve	See tables 9–3 through 9–8
MPA	Military Personnel, Army	R/– G–1 Manpower Policy, Plans, and Program Division (DAPE–PRA)
NGPA	National Guard Personnel, Army	R/–DARNG Budget Formulation Branch (NGB–ARC–BF)

Table 9–9
Army appropriations—managers for functional requirements and program and performance—Continued

Resource identification code	Appropriation (fund) [1]	Manager for Functional Requirements (R) Manager for Program and Performance ()
RPA	Reserve Personnel, Army	R/–CAR Budget Branch (DAAR–CFM)

Notes:

[1] ASA (FM&C) serves as appropriation sponsor for all appropriations (funds) except ARNG and AR appropriations, whose sponsors are the Chief, National Guard Bureau and Chief, Army Reserve, respectively.

[2] Functional proponents and their supporting Program Evaluation Groups (PEGs) bear responsibility for setting the funding level of validated military requirements and validating and funding nonmilitary requirements generated by new equipment for unit set fielding, force modernization, or other new mission or doctrine.

9–6. Integrated programming-budgeting phase

The DPAE and DAB jointly manage the integrated programming and budgeting phase to produce a combined POM and BES.

a. The Director of Program Analysis and Evaluation (DPAE). The DPAE takes the lead on programming matters and—

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

(2) Provides analytical and administrative support for PPBES forums.

(3) Co-chairs the Planning Program Budget Committee (PPBC) with the Assistant G–3 and the DAB.

(4) Exercises overall responsibility at HQDA for Army program development in support of the Program Objective Memorandum (POM) and Future Years Defense Program (FYDP).

(5) With the Assistant G–3 and Director of the Army Budget (DAB), guides and integrates the work of Program Evaluation Groups (PEG) throughout the PPBES process. (See para 9–33.)

(6) With functional proponents:

(a) Prepares Army responses to OSD programming guidance documents.

(b) Structures the Army Program Guidance Memorandum (APGM) and Technical Guidance Memorandum (TGM) to articulate direction and guidance from the DPG and senior Army leadership.

(c) Develops the Army program, including review of integrated priority lists (IPL) of the combatant commanders and program submissions of the MACOMs, PEOs, and other operating agencies.

(7) Codifies, and submits to OSD, the approved Army program in the POM.

(8) Serves as HQDA point of contact for the POM and FYDP within HQDA and with OSD and the Joint Staff.

(9) Manages the Management Decision Package (MDEP) architecture.

(10) Serves as host activity manager of the PPBES Enterprise System and with ASA(FM&C) and data proponents such as appropriation sponsors, manpower managers, the OSD Comptroller, Director of Program Analysis and Evaluation, and Department of the Treasury, DPAE—

(a) Through the PPBC has established a PPBES Strategic Automation Committee (PSAC) to implement configuration management of the PPBES Enterprise System and oversee long-term plans for investing in information technology to improve the performance of PPBES functions.

(b) Maintains the resource management architecture for automated support of PPBES processes and information systems and their integration into a common PPBES database. In particular—

1. Hosts the web services that provide coordination for the common data architecture, including program elements (PE), Army program elements (APE), resource organization (command) codes, the SSN–LIN Automated Management and Integrating System (SLAMIS) and, in coordination with the Defense Finance and Accounting Service (DFAS), the Army Management Structure (AMS).

2. Maintains an integrated data dictionary of data elements in the PPBES data element structure and discipline its use without re-keying by database users and component databases.

3. Controls data entry and makes sure that PPBES data elements are consistent not only internally for programming, budgeting, and execution alike but also externally with reporting requirements of the Standard Data Collection System (SDCS), Service Support Manpower System (SSMS), and Comptroller Information System (CIS)) or their successors.

(c) Maintains the official database position for Army Program and Budget Guidance (PBG) and through the SDCS, SSMS, and CIS or their successors updates OSD resource management databases with data that reflect the POM, BES, and the President's Budget. Affected data include the Army BES for manpower, Army appropriations, and Army-managed Defense appropriations.

(d) Makes sure that the Army portion of FYDP submissions to OSD includes defense appropriations managed by the Army and that force structure and manpower information match positions in the force structure and accounting databases for the Active Army, Army National Guard (ARNG), U.S. Army Reserve (AR), and civilian work force.

(e) Issues the PBG after each PPBES phase.

(11) Provides feedback to each combatant commander as to the resource status of the command's issues on forwarding the combined Program Objective Memorandum and Budget Estimate Submission (POM/BES) to OSD.

b. Director of the Army Budget (DAB). The DAB takes the lead on budgeting matters and—

(1) Co-chairs the PPBC with the Assistant G–3 and DPAE.

(2) Establishes budgeting policy and processes.

(3) Guides and integrates the work of the PEGs on budget matters. (See para 9–33.)

(4) Reviews and consolidates the Army National Guard (ARNG) and U.S. Army Reserve (AR) budgets with the Active Army budget.

(5) Provides feedback to each combatant commander on major budget issues affecting the command's resource requirements.

(6) Justifies the Army budget before OSD, Office of Management and Budget (OMB), and Congress.

(7) With the Chief, Legislative Liaison (CLL), maintains liaison and acts as point of contact with Congressional appropriations committees except for Civil Works issues.

(8) With the DPAE and data proponents, performs system and data management functions described in paragraph a(10), above.

(9) Serves as proponent of FYDP program 6–Research and Development and program 7–Central Supply and Maintenance. (See para 9–12.)

(10) Manages functional requirements and program and performance for designated appropriation accounts. (See para 9–10 and tables 9–3 through 9–8.)

(11) Manage the data architecture of Army program elements (PE) and elements of Resource (EOR).

(12) Maintains and issues TOA controls for Army Appropriations for the BES and the President Budget cycles.

(13) Translates final budget decisions into program changes, posting program elements (PE), Army program elements (APE), MDEPs, and command distributions, as required, updating the PPBES database to produce the President's Budget position submitted to OSD and Congress.

(14) Manages the Program Budget Decision (PBD) and Major Budget Issue (MBI) processes, and throughout the review—

(a) Maintains coordination between the Under Secretary of Defense (Comptroller) and HQDA.

(b) Makes sure that adjustments to fiscal controls are correct on all records for each PBD. (Verifying corresponding manpower controls, however, is a Deputy Chief of Staff, G–1 responsibility.)

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

9–7. Execution phase

a. Military Deputy for Budget and Execution. For the Assistant Secretary of the Army (Financial Management and Comptroller) (ASA(FM&C)), the Military Deputy for Budget and Execution—

(1) Reviews program performance and, specifically, oversee Cost and Performance Measures designed to provide the senior Army leadership with a corporate view of business efficiencies and program accomplishment.

(2) Applies funds appropriated by Congress to carry out authorized programs.

(3) Through the DAB, manages the PPBES execution phase.

b. Director of the Army Budget (DAB). As provided in a(3), above, the DAB manages the PPBES Execution phase and, during financial execution—

(1) Establishes funding policy and processes.

(2) Supervises and directs financial execution of the congressionally approved budget.

(3) Allocates funds appropriated by Congress and monitors their execution

(4) 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), Army program element (APE), project number, budget line item number (BLIN), standard study number (SSN), quantities, 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 the manpower-by-manpower category

(5) With functional proponents and within stated restrictions and specified dollar thresholds, reprograms funds as required to meet unforeseen requirements or changes in operating conditions.

(6) With the Defense Finance and Accounting Service (DFAS)—

(a) Oversees the development and maintenance of standard Army systems in support of financial accounting; and oversees implementation of the same standard Army systems in support of distribution, accounting, and reporting of funds.

(b) Makes sure that execution reports meet HQDA management information needs.

c. Director of Program Analysis and Evaluation (DPAE). During programmatic execution, the DPAE monitors how

programmed resources are applied to achieve approved objectives to gain feedback for adjusting resource requirements. Responsibilities for PPBES–Related Operational Tasks

Section III
Responsibilities for PPBES–Related Operational Tasks

9–8. HQDA principal officials

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

(1) Exercises responsibility for, and oversees, all matters and policy related to acquisition, logistics, technology, procurement, the industrial base, and security cooperation (that is, security assistance and armaments cooperation).

(2) Serves as the designated Army Acquisition Executive (AAE).

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

(4) 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 the Deputy Chief of Staff, G–8, helps prepare the Research, Development, and Acquisition Plan (RDA Plan).

(7) Manages functional requirements and program and performance for RDT&E and procurement appropriations, the Chemical Agents and Munitions Destruction, Army appropriation, and designated Miscellaneous accounts in Table 9–9, as well as the Contract Operations account of the Operation and Maintenance, Army appropriation, tables 9–3 through 9–8. (See para 9–10.)

b. The Assistant Secretary of the Army (Installations and Environment) (ASA(I&E)) exercises responsibility for, and oversees, all matters and policy related to installations, housing, installation-related-military construction, real estate, and environment, safety, and occupational health.

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

(1) Promulgates Armywide policy for and oversees, all matters related to manpower, personnel, and Reserve affairs across all Army components (Active, Guard, Reserve, civilian, and contractor).

(2) Sets policy and oversees—

(a) Army organization and force structure, to include Army force management initiatives that affect the Operating and Generating Forces (Active, Guard, and Reserve).

(b) Army manpower requirements determination and resource allocation for all Army components across all major Army commands (MACOM) and separate agencies (Active, Guard, Reserve, Joint, and Defense).

(3) Reviews policies and programs pertaining to readiness resourcing, training, force structure, and professional and leader education and development.

d. The Administrative Assistant to the Secretary of the Army (AASA)—

(1) Plans, programs, budgets, and accounts for the execution of resources for Headquarters, Department of the Army and its field operating and staff support agencies.

(2) Serves as proponent (provisional) of the Organizing PEG. (See para 9–33.)

e. The Chief Information Officer and Army G–6 (CIO/G–6)—

(1) Exercises responsibility for Army information management functions per 10 USC 3014(c)(1)(D) and sets policy and determines objectives for, and oversees, all matters related to Army command, control, communications, and computers (C4) and information technology (IT) functions.

(2) Provides CIO-validation of C4/IT requirements, and monitors the performance of information technology programs for warfighting, base operations, administrative, and other mission-related processes associated with a C4/IT impact.

(3) Serves as Program Integrator for Information Technology. (See fig 9–1.)

(4) Serves as proponent of the Army FYDP subprogram 3–Communications. (See para 9–12.)

(5) Develops, maintains, and facilitates the information technology architecture, that is, the Army Knowledge Enterprise Architecture (AKEA).

(6) Makes sure through advice and technical assistance that Army acquires information technology and manages information resources in a manner that implements the policies, procedures, and goals of the Army Knowledge Management Strategic Plan.

f. The Deputy Chief of Staff, G–1—

(1) Develops, coordinates, and implements programs and policies directly associated with accession, development, distribution, and sustainment of military and civilian personnel readiness to include the personnel readiness of Army units and organizations.

(2) Develops human resource programs, budgets, and activities to execute life-cycle functions of manning, well-being, personnel technologies, soldier-oriented R&D, and personnel transformation.

(3) Serves as proponent of the Manning PEG. (See para 9–33.)

(4) Serves as proponent of FYDP program 9–Administration. (See para 9–12.)

(5) Serves as the Army proponent of Directed Military Overstrength (DMO) and military manpower requirements outside the DOD.

(6) Manages issues related to Army manpower accounts except for Army National Guard and Army Reserve manpower and manages functional requirements and program and performance for the Military Pay, Army appropriation and for designated personnel accounts and Manpower-Only accounts of the Operation and Maintenance, Army appropriation. (See para 9–10 and tables 9–2 through 9–9.)

g. The Deputy Chief of Staff, G–2—

(1) In coordination with the Department of Defense and National Intelligence Community, sets policy for Army intelligence and counterintelligence and security countermeasures.

(2) 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.

(3) Serves as Army Staff lead for integrating intelligence, surveillance, and reconnaissance (ISR) matters into all phases of the PPBES process.

(4) Serves as the resource proponent for operational and strategic intelligence of Army FYDP subprogram 3–Intelligence. (See para 9–12.)

(5) Manages functional requirements and program and performance for Security Programs of the Operation and Maintenance, Army appropriation. (See para 9–10 and tables 9–3 through 9–8.)

h. The Deputy Chief of Staff, G–4—

(1) Develops and resources Armywide logistics operation programs for strategic mobility, supply, maintenance, war reserves and prepositioning, aviation, munitions, transportation, distribution, readiness, and integrated logistics support.

(2) Integrates and balances between acquisition and logistics the sustainment functions of readiness, supply, services, maintenance, transportation, aviation, munitions, security assistance, and related automated systems.

(3) Through the integration of logistics supportability, manages the readiness of new systems throughout the acquisition life cycle as well as current readiness of legacy systems.

(4) On behalf of the Army Acquisition Executive (AAE)—

(a) Develops policies for, and oversees, the planning, programming, budgeting, and execution of integrated logistics support.

(b) Makes sure that program executive offices have programmed and incorporated supportability requirements into the acquisition and fielding of new systems.

(5) Serves as proponent of the Sustaining PEG. (See para 9–33.)

(6) Manages functional requirements for the Procurement of Ammunition, Army appropriation and the Army Working Capital Fund and manages functional requirements and program and performance for Logistics Operations accounts of the Operation and Maintenance, Army appropriation, including those for Base Operations. (See para 9–10 and tables 9–3 through 9–9.)

i. The Assistant Chief of Staff for Installation Management (ACSIM)—

(1) Develops and directs planning, programming, and budgeting of installation management functions and the resourcing of installation-related military construction, housing, environmental protection, and facilities operation and sustainment.

(2) Provides ACSIM validation of requirements for managing and resourcing Army installations.

(3) Makes sure that installation management and environmental programs are integrated into all aspects of Army operations.

(4) Serves as proponent of the Installations PEG. (See para 9–33.)

(5) Manages functional requirements and program and performance for military construction appropriations and environmental restoration as well as Installation Management Operations and Maintenance appropriations. (See para 9–10 and tables 9–3 through 9–9.)

j. The Chief of Engineers (COE)—

(1) Supports and promotes resource requirements of the engineer regiment.

(2) Represents and promotes resource requirements of the U.S. Army Corps of Engineers.

(3) Acts for SECARMY in executing SECARMY Executive Agent responsibilities for military construction to include construction for the Air Force, Navy, National Aeronautics and Space Administration (NASA), and selected DOD activities and foreign nations.

(4) Manages functional requirements and program and performance for the Homeowners Assistance Fund, Defense. (See para 9–10 and table 9–9.)

k. The Surgeon General (TSG)—

(1) Exercises responsibility for development, policy direction, organization and management of an integrated Armywide health services system.

(2) Represents and promotes resource requirements of the U.S. Army Medical Department.

(3) Manages functional requirements and program and performance for reimbursable medical manpower of the Operation and Maintenance, Army appropriation. (See para 9–10 tables 9–3 through 9–9.)

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

(1) Plans and administers the budget of the Army National Guard (ARNG) and serves as appropriation sponsor for ARNG appropriations.

(2) Serves as proponent of the ARNG subprogram, FYDP program 5–Guard and Reserve Forces. (See para 9–12.)

(3) Manages ARNG manpower issues and manages functional requirements and program and performance for ARNG appropriations and ARNG accounts of the Operation and Maintenance, Army National Guard appropriation. (See para 9–10 and tables 9–2 through 9–9.)

(4) Serves as Program Integrator for the statutory, Defense, and Army requirements of the ARNG. (See fig 9–1.)

m. The Chief, Army Reserve (CAR)—

(1) Plans and administers the budget of the U.S. Army Reserve (AR) and serves as appropriation sponsor for AR appropriations.

(2) Serves as proponent of the AR subprogram, FYDP program 5–Guard and Reserve Forces. (See para 9–12.)

(3) Manages AR manpower issues and manages functional requirements and program and performance for AR appropriations and AR accounts of the Operation and Maintenance, U.S. Army Reserve appropriation. (See para 9–10 and tables 9–2 through 9–9.)

(4) Serves as Program Integrator for the statutory, Defense, and Army requirements of the AR. (See fig 9–1.)

Program Integrators

Army National Guard (ARNG)—*DARNG*

Provides technical assistance to Title 10 PEGs and monitors actions to integrate into all phases of the PPBES process 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 all phases of the PPBES process the statutory, Defense, and Army requirements of U.S. Army Reserve.

Tracks AR program performance during budget execution.

Information Technology (IT)—*CIO/G-6*

Provides advice and technical assistance to Title 10 PEGs to make sure that the Army acquires information technology and manages information resources in a manner that implements the policies, procedures, and goals of the Army Knowledge Management Strategic Plan.

Validates information technology requirements and monitors the performance of information technology programs throughout all phases of the PPBES process.

Develops, maintains, and facilitates the information technology architecture, that is, the Army Knowledge Enterprise Architecture (AKEA), across the Army.

Figure 9–1. Program Integrators

9–9. Army commanders

a. Commanders of major Army commands and heads of other operating agencies. Commanders of Major Army commands (MACOM), Program Executive Officers (PEO), 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, Army Management Structure Code (AMSCO), Army program element (APE), project

number, BLIN, SSN, BA, BAG, and EOR. Also account for and report on use of allocated manpower by unit identification code (UIC).

(b) Use manpower data and financial data from budget execution in developing future requirements.

(c) Make sure that below threshold reprogramming remains consistent with Army priorities.

b. Commanders of major Army commands serving as commanders of Army Component Commands. MACOM commanders serving as commanders of Army Component Commands (ACC) identify and integrate with their other missions and operational requirements the requirements of the combatant command.

c. Commander, Space and Missile Defense Command (SMDC) serves as proponent of Army FYDP subprogram 3–Space. (See para 9–12.)

9–10. Staff managers and sponsors for congressional appropriations

The Military Deputy for Budget and Execution, the Director of Army National Guard (DARNG), Chief, Army Reserve (CAR), and designated functional managers manage and control Army resources. One set of functional managers addresses manpower and force structure issues. Another set of functional managers assists appropriation sponsors. Tables 9–2 through 9–10 list assignments of appropriation sponsors and functional managers. Their general responsibilities are as follows.

a. Manager for manpower and 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 during each PPBES phase. 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 such PPBES database systems as the Structure and Manpower Allocation System (SAMAS), The Army Authorization Documents System (TAADS), the PPBES Enterprise System, and the FYDP.

(3) Provide lead support on manpower issues to PEG chairs.

(4) Verify manpower affordability.

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) Prioritizes unresourced programs submitted by MACOMs, PEOs, and other operating agencies.

(4) Using Army program and budget guidance and priorities, resolves conflicts involving unresourced requirements or decrements on which MACOMs, PEOs, and other operating agencies fail to reach agreement in developing the program or budget.

(5) Recommends to the PPBC (para 9–31, below) the allocation of available resources, unresourced programs, and offsetting decrements.

(6) During program and budget reviews, and throughout the process, coordinates resource changes with agencies having proponency for affected MDEPs and with the appropriate appropriation sponsor for relevant resources.

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

(1) Represents the functional program and monitors its performance during each PPBES phase.

(2) As required, helps the appropriation sponsor perform the duties listed in d(2) and d(3), below.

(3) Translates budget decisions and approved manpower and funding into program changes and makes sure that data transactions update affected MDEPs and, in coordination with the appropriation sponsors, affected appropriations.

(4) Checks budget execution from the functional perspective.

(5) For investment appropriations—

(a) Operates and maintains databases in support of the PPBES Enterprise System.

(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 OMB and by Congress, serves as appropriation advocate, helps prepare the Army response to OSD PBDs, and prepares congressional appeals.

(d) During execution determines fund recipients, monitors execution, performs decrement reviews, plans reprogramming, and controls below threshold reprogramming. On RDT&E and procurement 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 updating the PPBES database.

(b) Prepares and justifies budget estimates, coordinating with functional and manpower representatives to make sure appropriate exhibits and database systems match.

(6) Testifies before Congress during budget justification.

(7) Manages financial execution of the appropriation and reprogram allocated manpower and 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 (FYDP
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 2004–2005 budget would, as shown in figure 9–2—

(1) Record totals for each resource group by—

(a) Prior fiscal year (PY), in this case FY 2002.

(b) Current fiscal year (CY), in this case FY 2003.

(c) Budget fiscal years (BY), in this case FY 2004–2005.

(2) Extend total obligation authority (TOA) and manpower totals 4 years beyond the FY 2004–2005 budget to FY 2009.

(3) Extend force totals 7 years beyond the FY 2004–2005 budget to FY 2012.

b. The FYDP comprises 11 major Defense programs. Table 9–11 lists the programs together with Army subprograms and Army proponent agencies. Each program consists of an aggregation of program elements (PE) 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 at least twice a year.

(1) The first submission, generally forwarded in late August, records the position of the combined Army POM/BES.

(2) The second submission, forwarded in late January or early February, 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 10 USC 221(a), 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 began gradually replacing the nearly 40-year old FYDP database format with a new Defense Programming Database (DPD). Transition to the DPD over the succeeding several PPBES cycles seeks to standardize budget and program data while consolidating many of the FYDP's currently required supplemental reports and annexes.

Table 9–11
FYDP Programs and Subprograms with Army Proponents

Nr	Major Defense program	Proponent[1]
1.	Strategic Forces	G–3
2.	General Purpose Forces	G–3
3.	Communications, Intelligence, and Space	CIO-/G–6
	Communications	G–2/G–3[2]
	Intelligence	SMDC[3]
	Space	
4.	Mobility	G–3

Table 9–11
FYDP Programs and Subprograms with Army Proponents—Continued

Nr	Major Defense program	Proponent[1]
5.	Guard and Reserve Forces	DARNG
	Army National Guard	CAR
	Army Reserve	
6.	Research and Development	ASA(FM&C)
7.	Central Supply and Maintenance	ASA(FM&C)
8.	Training, Health and Other Personnel Activities	G–3
	Training	TSG[4]
	Health	
9.	Administration	G–1
10.	Support of Other Nations	G–3
11.	Special Operations Forces	G–3

Notes:

[1] Within each applicable program, ACSIM serves as proponent for base operations and real property services and G–1 serves as proponent for management headquarters and manpower functions.

[2] G–2 is the resource proponent for operational and strategic intelligence. G–3 is the resource proponent for tactical intelligence.

[3] U.S. Army Space and Missile Defense Command.
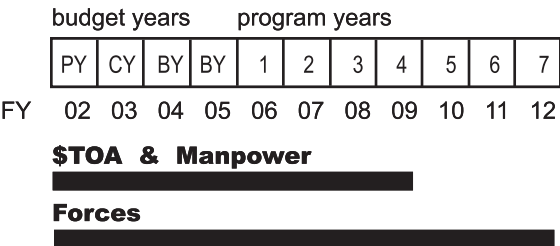
Figure 9–2. Resources in the FYDP reflecting the FY04–05 budget

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. He 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 serves as the principal military adviser to the President and SecDef and helps them provide strategic direction to the armed forces. Shouldering responsibilities for planning, advising, and policy formulation, the CJCS participates in DOD's senior councils, where he speaks for the Joint Chiefs of Staff (JCS) and combatant commanders.

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

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 for 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 for 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) (USD (Comptroller)). The USD (Comptroller) exercises responsibility for all budgetary and fiscal matters.

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 Reserve Affairs, health affairs, training, and personnel requirements and management.

i. The Director, Program Analysis and Evaluation (PA&E). The Director, PA&E serves as the principal staff assistant to the Secretary of Defense for program analysis and evaluation.

9–14. Senior Executive Council

The Senior Executive Council (SEC) counsels the SecDef in applying sound business practices in the Military Departments, DOD agencies and other DOD components. The SecDef chairs the SEC. SEC members comprise the DepSecDef, Under Secretary of Defense for Acquisition, Technology and Logistics, and the Secretaries of the Army, Navy, and Air Force. When determined by the chair, heads of other DOD components participate as appropriate. Also, as appropriate, the chair may invite officials to participate from other Departments and agencies of the Executive Branch, including the Office of Management and Budget (OMB) and the National Security Council (NSC).

9–15. 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 Secretary of Defense (Comptroller) and Under Secretaries of Defense for Policy and for Acquisition, Technology, and Logistics, and for 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 of appropriate intelligence agencies. The DepSecDef and Director of Central Intelligence co-chair this Expanded DRB (EDRB).

e. The Director, PA&E 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.

9–16. 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 DRB to that body for consideration. Supporting the endeavor, OSD principal staff assistants conduct a series of Front End Assessments (FEA). As directed by the DRB, assessments address topics or decisions that will influence the next POM and subsequent program review. Prepared in coordination with other OSD principal assistants, representatives of the CJCS, and Service chiefs, the assessments are briefed to the PRG. As appropriate they are also briefed to the DepSecDef or DRB.

b. The Director, PA&E 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 Secretary of Defense (Comptroller) and Principal Deputy Under Secretaries of Defense for Policy and for Acquisition, Technology, and Logistics and the Assistant Secretaries of Defense for Force Management Policy, Health Affairs, and Reserve Affairs, the Principal Deputy Assistant Secretary of Defense for Command, Control, Communications, and Intelligence, and the Director of Operational Test and Evaluation.

(2) *From the Joint Staff:* the Director for Force Structure, Resources, and Assessment (J–8).

(3) *From the Services:* the Army G–8, the Deputy Chief of Naval Operations (Resources, Warfare Requirements and Assessments), the Marine Corps Deputy Commandant (Programs and Resources), and the Air Force, Deputy Chief of Staff (Plans and Programs).

9–17. 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 Expanded DRB (EDRB) for consideration.

b. The Director, PA&E 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.

9–18. 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 Vice Chairman of the Joint Chiefs of Staff (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 combatant commanders, 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. Army PPBES

Section V
Army PPBES

9–19. Army's primary resource management system

The PPBES serves as the Army's primary resource management system. A major decisionmaking 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.

9–20. 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 decisionmaking, and the review and discussion that attend their development help shape the outcome. For example:

(1) The Army helps prepare the Defense Planning Guidance (DPG) and planning documents produced by the Joint Strategic Planning System (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, 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 as well as 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) Combatant commanders influence Army positions and decisions through MACOM commanders serving as commanders of Army Component Commands (ACC), who integrate operational requirements of the combatant

command into their program and budget submissions. Combatant commanders also highlight requirements in an integrated priority list (IPL) that receives close review during program development.

9–21. 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.

9–22. 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:

(a) Defense Planning Guidance (DPG).

(b) The Army Plan (TAP)

(2) Programming phase:

(a) Fiscal Guidance.

(b) Program Objective Memorandum (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 Budget Estimate Submission (BES) and President's Budget, including procurement, Research, Development, Test, and Evaluation (RDT&E), and construction annexes.

(b) Program Budget Decisions (PBD).

(c) Automated Program and Financing Statements.

(d) Reports generated by the automated Comptroller Information System (CIS).

(e) DD Form 1414, Base for Reprogramming Actions.

(f) DD Form 1416, Report of Programs.

(g) Congressional data sheets.

(h) Management Initiative Decisions (MID).

Section VI
Recording Resources

9–23. The MDEP: what it is and how it's used
a. The Army Management Decision Package (MDEP) serves as 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 gain an intended outcome, an individual MDEP describes a particular organization, program, or function and applies uniquely to one of the following 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.

(3) Acquisition, fielding, and sustainment of weapon and information systems (with linkage to organizations).

(4) Special visibility programs (SVP).

(5) Short term projects (STP).

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) Develop programs to support the requirements.

(2) Carry out approved programs.

(3) 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) Army Management Structure (AMS) accounts that record funding transactions in Army activities and installations.

f. HQDA uses the MDEP also to link key systems within the PPBES Enterprise System, for example:

(1) The Structure and Manpower Allocation System (SAMAS) and The Army Authorization Document System (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), Army program element (APE), project number, and budget line item number (BLIN). They then distribute the resources to MDEPs within the resource management areas, listed in subpara b, above

9–24. 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 9–3 shows the fiscal year structure of an MDEP applying to the President's FY 2004–2005 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, the PPBES database (para 9–28a, below) drops the 2 earliest years from the database and adds 2 new years. Thus for the FY 2006–2011 POM, the MDEP would display the 6 years of the new program period and the 3 preceding years (fig 9–4). 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 9–5. For the FY 2006–2007 budget, budget years 03 and 04 both become prior years; budget year 05 becomes the current year; and the first 2 program years become budget years 06 and 07. The last 4 years (years 08 through 11) remain program years.
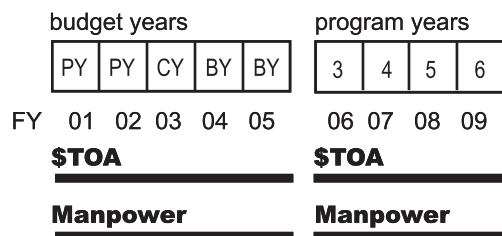
budget years   program years

PY	PY	CY	BY	BY		3	4	5	6

FY   01   02   03   04   05   06   07   08   09

$TOA   **$TOA**

Manpower   **Manpower**

Figure 9–3. Fiscal year structure of resources in an MDEP reflecting the FY 04–05 budget

budget years   program years

PY	CY	BY		1	2	3	4	5	6

FY   03   04   05   06   07   08   09   10   11

$TOA   **$TOA**
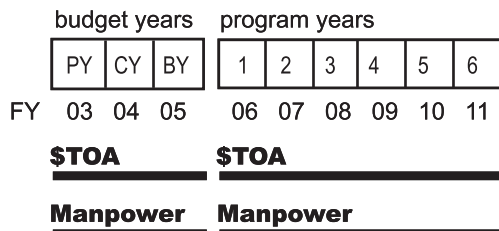
Manpower   **Manpower**

Figure 9–4. Fiscal year structure of resources in an MDEP reflecting in the FY 06–11 POM

budget years   program years

PY	PY	CY	BY	BY		3	4	5	6

FY   03   04   05   06   07   08   09   10   11

$TOA   **$TOA**
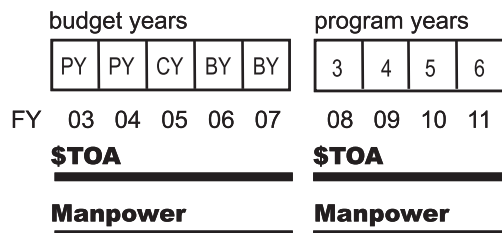
Manpower   **Manpower**

Figure 9–5. Fiscal year structure of resources in an MDEP reflecting in the FY 06–07 budget

9–25. Extent that manpower and dollars can be redistributed in the MDEP

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

b. During the program or POM years, HQDA is constrained by Congress on total military end strength. HQDA determines and approves civilian workyear levels by balancing workload and available funding. Similarly, HQDA restricts program dollars only by total obligational 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 Army program elements (APE).

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 budgeted 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.

9–26. 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/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. Program and budget analysts 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?"

9–27. Resource recording structures

a. Future Years Defense Program (FYDP). As mentioned, the FYDP accounts for the total of all resources programmed by the Department of Defense (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). The 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 DFAS–IN Manual 37–100-**** (where **** stands for the current fiscal year, e.g., 2003). Army Management Structure codes (AMSCO) help record the data in the detail needed for budgeting, execution, and accounting.

c. Other structures. Other fiscal management structures include the 01 level budget activity structure for operation and maintenance appropriations shown in tables 9–3 through 9–8. Other structures also include standard study numbers (SSN) and budget line item numbers (BLIN) for weapon systems, and project numbers for military construction.

9–28. Automated support

The automated PPBES System supports Planning, Programming, Budgeting, and Execution System (PPBES) functions and Planning, Programming, and Budgeting System (PPBS) data submissions to OSD, OMB, and Congress. Known simply as the PPBES database, it encompasses forces, funds, and manpower and serves as the database of record for Army resources.

a. PPBES database. The PPBES database organizes and registers 9 years of dollar and manpower data used in the process, and 12 years of forces data. It gathers manpower and dollar data through keys tied to the Management Decision Package (MDEP), appropriation (appn), program element (PE), Army program element (APE), and other identifiers including the command or resource organization. HQDA uses the database to—

(1) Support user analysis.

(2) Build and record the combined POM/BES.

(3) Prepare the Army portion of the FYDP to reflect the POM/BES and later the President's Budget.

(4) Report consistent Army resource positions to OSD through the Select and Native Programming (SNaP) Data Collection System, Standard Data Collection System (SDCS), Service Support Manpower System (SSMS), and Comptroller Information System (CIS).

(5) Issue Army commands Program and Budget Guidance (PBG) reflecting the FYDP resource position after each FYDP update.

(6) ProvideMDEP execution and expenditure information.

b. Future System enhancement. In transition from a legacy data management system, the enhanced PPBES Enterprise System, will restructure the database and related applications into a common web-enabled system behind the Army Knowledge on Line (AKO) portal that will facilitate user and administrator coordination and allow interactive management of PPBES data elements, web applications, the receipt and edit of data files, and reports publication.

Section VII
PPBES Deliberative Forums

9–29. Army Resources Board

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 BES. Table 9–12 shows the composition of PPBES deliberative forums.

Table 9–12
Composition of PPBES deliberative forums

Forum	Chairs	OSA members	Army staff members	Advisory and support
ARB	SecArmy—Chair CSA–Vice chair	USA ASA(ALT) ASA(FM&C) ASA(I&E) ASA(M&RA) General Counsel	VCSA G–3 G–8	Other participants as required *Advisors* Assistant G–3 DPAE DAB ARB Executive Secretary, ASA(FM&C)
SRG	USA–Co-chair VCSA–Co-chair	ASA(ALT) ASA(CW) ASA(FM&C) ASA(I&E) ASA(M&RA) General Counsel CIO/G–6	G–1 G–2 G–3 G–4 G–8 ACSIM CAR DARNG	Other participants as required *Advisors* Assistant G–3 DPAE DAB SRG Executive Secretary, ASA(FM&C)
PPBC	Assistant G–3–Co-chair for Planning DPAE–Co-chair for Programming DAB–Co-chair for Budgeting and Execution	*Representatives of—* ASA(ALT) ASA(CW) ASA(I&E) ASA(M&RA) AASA CIO/G–6	*Representatives of—* G–1 G–2 G–4 ACSIM TSG CAR DARNG	Other participants as required, including— Director of Operations and Support, ASA(FM&C) Director of Investment, ASA(FM&C)Director of Force Management, G–3 Director of Requirements, G–3 Director of Training, G–3 Director of Strategy, Plans, and Policy, G–3 Director of Force Development, G–8

9–30. 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. 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 Under Secretary of the Army (USA) and VCSA.

b. See table 9–12 for composition of the SRG.

9–31. Planning Program Budget Committee

a. The Planning Program Budget Committee (PPBC) has three co-chairs, one of whom presides over the forum depending on its subject matter-the Assistant G–3 for planning, the DPAE for programming, and the DAB for budgeting and execution.

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 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. Among its responsibilities, the PPBC—

(1) Maintains overall discipline of the PPBES.

(2) Oversees the PPBES schedule, with each chair controlling the chair's respective portion of the schedule.

(3) Monitors force management and preparation of TAP, POM/BES, and President's Budget.

(4) Makes sure that Army policy remains internally consistent and that program adjustments remain consistent with Army policy and priorities.

c. The PPBC maintains the PPBES Strategic Automation Committee as a Joint DOD Committee to implement configuration management of the PPBES Enterprise System and to oversee long-term plans for investing in information technology to improve the performance of PPBES functions (para 9–6a(10), above). As required, the PPBC may set up other standing committees or working groups to resolve issues that arise in managing the program or budget.

d. See table 9–12 for composition of the PPBC.

9–32. PPBC 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, G–3; 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.

9–33. Program Evaluation Groups

HQDA uses six Program Evaluation Groups (PEG) to support planning, programming, and budgeting (fig 9–6). Each is co-chaired by a representative of the Secretariat and a representative of the PEG's proponent, who provides the PEG with executive and administrative support. Permanent members include representatives of ASA(FM&C) appropriation sponsors, G–3 program prioritizers and requirements staff officers, and G–8–PAE program integrators.

a. PEGs program and monitor resources to perform Army functions assigned by 10 USC, Subtitle B - Army and to support the combatant commands and OSD-assigned executive agencies. Each administers a set of Management Decision Packages (MDEP) within one of the following functional groupings: Manning, Training, Organizing, Equipping, Sustaining, and Installations.

b. Each PEG, subject to existing program and budget guidance, 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 CIO/G–6 serve as Program Integrators to the PEGs (fig 9–1). Program Integrators provide technical assistance and monitor actions to integrate priorities and statutory, Defense, and Army requirements for the ARNG, AR 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 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.

Program Evaluation Groups

Manning (MM)

Co-chaired by ASA(M&RA) and G-1

Provides the Active Army, ARNG, and AR with authorized personnel by grade and skill. Integrates these activities for the ARNG and AR.

Training (TT)

Co-chaired by ASA(M&RA) and G-3

Provides resources for Active Army, ARNG, and AR 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 (CTC), mobilization, theater security cooperation 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 control exchanges with allies and coalition partners.

Deals with programs, systems, and activities to satisfy intelligence requirements of the President and Secretary of Defense as well as those of the senior Army leadership. (These are 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, however, addresses most requirements for Tactical Intelligence and Related Activities (TIARA) managed by G-8–FD under Programs 2, and 4 through 10 as well as acquisitions to meet other intelligence and electronic warfare (IEW) requirements.

Organizing (OO)

Co-chaired by M&RA and AASA (provisional)

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.

Equipping (EE)

Co-chaired by ASA(ALT) and G-8

Provides resources for the integration of new doctrine, training, organization, and equipment to develop and field warfighting capabilities for the Active Army, ARNG, and AR. Focuses mainly on materiel acquisition, which

Equipping (EE)—continued

comprises RDT&E and procurement of weapons and equipment

Considers operating and support costs to field weapons and equipment as well as the cost of combat development.

Sustaining (SS)

Co-chaired by ASA(ALT) and G-4

Provides resources to sustain operations of the Active Army, ARNG, and AR, 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.

Installations (II)

Co-chaired by ASA(I&E) and ACSIM

Provides resources to support Active Army, Reserve and National Guard installations—the operational and service support centers where soldiers, families and civilians work, live and train.

Plans and Programs Installation funding for Base Support, Military Construction, Army Family Housing, Base Realignment and Closure and Environmental Restoration programs. Base Support is subdivided into two parts:

- Base Operations Support (BOS) consisting of Base Operations (BASOPS), Anti-Terrorism/Force Protection, Family Programs, Environment, and Audio Visual/Base Communications.

- Sustainment, Restoration and Modernization (SRM) providing for maintenance, demolition, improvement or replacement of facilities and infrastructure.

Provides for minimal essential workforce in support of Installation Management and continuously seeks to leverage current end strength by converting non-core military to civilian employees or contract, where appropriate.

Figure 9–6. Program Evaluation Groups

9–34. A principal PPBES-related committee

Although not a PPBES forum, the Army Systems Acquisition Review Council (ASARC) helps integrate the development and acquisition of materiel into all PPBES phases. Chaired by the Army Acquisition Executive (AAE), the ASARC serves as the Army's senior-level review body for Acquisition Category (ACAT) I and II programs. (An ACAT I program is a Major Defense Acquisition Program for which the AAE exercises Milestone Decision Authority (MDA). An ACAT II program is one that fails to qualify as an ACAT I program but nevertheless meets the criteria for a major system.)

Section VIII
Process and Structure

Beginning with the planning phase, sections V through VII, which follow, present a phase-by-phase description of the PPBS/PPBES. First, however, a graphical overview of system process and structure sets the stage.

9–35. System process

Figure 9–7 (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 by adding execution as a distinct system phase.

9–36. System structure

Figure 9–8 displays the structure within which the PPBES operates.

Figure 9–8. PPBES framework

Section IX
PPBS Planning Phase

9–37. 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 to 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 combatant commander the best mix of forces, equipment, and support attainable within defined fiscal constraints.

9–38. 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 (PDD) and Presidential Review Directives (PRD). PDDs promulgate presidential decisions implementing national security policy and objectives in all areas involving national security. PRDs direct studies involving national security policy and directives.

9–39. 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.

b. Joint strategic planning helps the Chairman of the Joint Chiefs of Staff (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 evaluates risks and threats and assesses the current strategy and existing or proposed programs and budgets. Involving each of the Joint Staff directorates and the Defense Intelligence Agency, it also entails close consultation with the Services, combatant commands, and supported Defense agencies.

9–40. Joint Strategic Planning System
Joint strategic planning takes place within the context of the Joint Strategic Planning System (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 (JSR). The Joint Strategy Review (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 combatant commands, Services, and Defense agencies, to analyze strategic concepts and issues relevant to strategy formulation. The JSR 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 combatant commanders, the report, when approved by the Chairman, becomes guidance for maintaining or revising the Joint Vision, the National Military Strategy (NMS), and other JSPS products.

b. Joint Net Assessment

(1) The Joint Net Assessment (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 combatant commanders 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 National Military Strategy (NMS) objectives.

9–41. JSPS documents and plans

The Joint Strategic Planning System (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 9–7, 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 Joint Strategy Review (JSR), preparation of the Joint Vision, and drafting of a new National Military Strategy (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 20** 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 National Military Strategy (NMS). The strategy advises the SecDef, and after SecDef review, the President and National Security Council (NSC) on the strategic direction of the armed forces. A standing document changed when needed, the NMS applies to the program years, 2–8 years in the future. Drawing from the strategic guidance contained in the President's National Security Strategy (NSS), the NMS—

(a) Summarizes the global strategic setting from the Joint Strategy Review (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 to fiscal guidance of the President and Secretary of Defense.

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

d. Joint Planning Document

(1) The Joint Planning Document (JPD) derives from the NMS. Prepared by the Joint Staff with the Service Chiefs and combatant commanders, the document reflects the Chairman's planning guidance based on the Joint Vision and strategic objectives outlined in the NMS and Joint Strategic Capabilities Plan (JSCP). The JPD helps the SecDef prepare the Defense Planning Guidance (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 Joint Strategic Capabilities Plan (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 combatant commanders, JCS members, and heads of Defense agencies.

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

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

f. Theater Security Cooperation Plan

(1) The Theater Security Cooperation Plan (TSCP) presents the regional combatant commander's strategy for implementing the SecDef's Security Cooperation Guidance (para 9–42d, below). Submitted through the Chairman of the Joint Chiefs of Staff, the TSCP is approved by the SecDef.

(2) The TSCP consists of five sections: Combatant Commander's Strategic Assessment, Concept for implementing Security Cooperation Priorities, Measures of Effectiveness, Risk Assessment, and Resource Implications (Funding and Personnel). Covering the year of execution and the next 2 years, it serves as the basis of subsequent detailed planning by the combatant command, its component staffs, and the Services.

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 POMs. It compares recommended capabilities and

levels with priorities established by the SecDef. The document helps the SecDef make decisions during OSD program and budget review reflected in PDMs and PBDs.

9–42. OSD planning products

Two SecDef documents influence products of the JSPS. One is Defense Planning Guidance (DPG) and its related Transformation Planning Guidance; 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, Defense Planning Guidance (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 (GPRA) of 1993 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 requirement using the Quadrennial Defense Review (QDR). The DPG incorporates DoD corporate goals reflecting the QDR.

b. Transformation Planning Guidance. Transformation Planning Guidance (TPG) communicates the DOD strategy for transformation and assigns senior leader roles and responsibilities. It defines the future risk of transformation investments with the specificity needed to balance force management risk, operational risk, and institutional risk-DoD's primary risk areas. Providing a conceptual framework for implementing the transformation strategy, it focuses efforts to manage the Defense program.

c. Contingency Planning Guidance. 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 Joint Strategic Capabilities Plan (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.

d. Security Cooperation Guidance. Security Cooperation Guidance (SCP) supports the President's National Security Strategy (NSS) and U.S. defense strategy. It provides strategic direction for DoD interaction with foreign defense establishments. By focusing on activities that most effectively serve U.S. security interests, it seeks to build the right defense partnerships. The aim is to—

(1) Build defense relationships that promote specified U.S. security interests.

(2) Build allied and friendly military capabilities for self-defense and coalition operations.

(3) Provide U.S. forces with peacetime and contingency access as well as en-route infrastructure.

Section X
PPBES Planning

9–43. Army Vision and Transformation Campaign Plan

a. The Army Vision. The Army Vision charts a balanced course formed around three interdependent components-People, Readiness, and Transformation-the Vision weaves these threads together, binding them into what will be the Army of the future.

(1) Characterized by force manning, individual well-being, and leader development, People serve as the core of the institutional strength of the Army. The well-being-physical, material, mental, and spiritual state-of Soldiers, families, and civilians links inextricably to the Army's capabilities, its readiness, and its preparedness to perform any mission.

(2) The Army's top priority and focus, Readiness embraces unit training, sustainment, and installations and in-frastructure. It signifies Army preparedness to execute strategic missions across the full spectrum of operational requirements around the globe, using its combat formations able to conduct a range of activities from security cooperation to stability and support operations, to warfighting.

(3) The Army's Transformation of the Operational Army into a more dominant, more strategically responsive force moves along three vectors-the Objective Force, the Interim Force, and the Legacy Force.

(a) Ultimately, all three paths merge into one as the Objective Force, which then will encompass the entire Army.

(b) The Interim Force bridges the capabilities gap between today's Army and the Objective Force. It starts with Stryker Brigade Combat Teams formed initially to develop and test 21st century organizational and operational capabilities. Fielded with current off-the-shelf technology, the Stryker Brigade Combat Teams will validate concepts for the Objective Force.

(c) Kept ready to fight and win the Nation's wars, the current Legacy Force will supplement capabilities of the Objective Force during transformation to the Objective Force.

b. Transformation Campaign Plan. The Transformation Campaign Plan (TCP) translates the Vision from concept to reality, aligning the Army undertaking with the larger Defense transformation initiative. Guiding Headquarters, Department of the Army (HQDA), major Army commands (MACOM), and other operating agencies alike, the TCP focuses transformation efforts to attain revolutionary land power capabilities that will enable a strategically responsive Joint

Force dominant at every point on the spectrum of military operations. Toward that goal, the TCP proceeds along 13 task-oriented lines of operation. For each line of operation, it not only prescribes conditions, criteria, and milestones but also integrates and synchronizes work needed to achieve The Army's transformation objectives.

9–44. 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 Army Plan (TAP), which provides strategic planning, priorities, and programming guidance in three sequentially developed and substantively integrated sections:

(1) The Army Strategic Planning Guidance (ASPG), which forms section I of the TAP—

(a) Nests Army planning in National, OSD, and Joint strategic guidance.

(b) Gives rationale for transforming The Army per the Army Vision.

(c) Provides senior leader guidance.

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

(3) The Army Program Guidance Memorandum (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.

9–45. Army Strategic Planning Guidance

The G–3 Strategic Plans and Policy Directorate prepares Army Strategic Planning Guidance (ASPG) (TAP section I). The ASPG is the Army's institutional strategy. It provides strategic guidance to translate requirements "to serve the Nation"-principally in terms of trained and ready forces capable of decisive action across the range of military operations and spectrum of conflict-into fielded capabilities. The ASPG provides a long-term perspective (10–20 years) for planners through a common understanding of the Army's contribution to national security and the Joint Team. It articulates the geostrategic landscape, strategic demands, and institutional goals and objectives as well as strategic planning guidance (that is, requirements and general prioritization guidance).

9–46. Army Planning Priorities Guidance

The G–3 Resource Analysis and Integration Office prepares the Army Planning Priorities Guidance (APPG) (TAP section II). The APPG covers the mid-term period of the next 6-year Program Objective Memorandum (POM) plus 5–7 additional years. Adding substantial detail to strategic planning guidance, the APPG identifies and prioritizes enduring capabilities needed now and in the future to maintain The Army's core competencies s cited in Field Manual 1 (FM 1), The Army.

9–47. Army Program Guidance Memorandum

The G–8 Program Analysis and Evaluation Directorate prepares the Army Program Guidance Memorandum (APGM) (TAP section III), which links operational capabilities and programming. Providing direction to Program Evaluation Groups (PEG), the APGM conveys Army senior leader intent as well as broad, general guidance concerning acceptable levels of risk for the initial POM/BES build. Applying readiness and warfighting requirements derived from operational capabilities in TAP sections I and II to program development, it completes the succession of guidance from strategic planning to mid-term planning to programming. Guided by planning priorities, the APGM translates operational tasks known as core competencies to resource tasks to perform Army Title 10 functions. It then prescribes other, non-operational task requirements to assure carrying out the three interdependent components of the Army Vision-People, Readiness, and Transformation. Through Management Decision Packages (MDEP), the APGM relates resource tasks to the Army's 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 HQDA agencies additional guidance.

9–48. Army International Activities Plan.

The Army International Activities Plan (AIAP) implements requirements outlined in Army Regulation (AR) 11–31, Army International Activities Policy and serves as the Army's strategic plan for security cooperation. A 2-year plan, it seeks to—

a. Focus outcomes of Army international activities on national, DOD, and Army strategic goals, such as supporting the war on terrorism, transformation, and theater security cooperation,

b. Maintain consistency between Army words and deeds in international activities.

c. Link Army international activities with Army capabilities in The Army Plan (TAP) to facilitate prioritization of Army international efforts.

9–49. Requirements determination

a. Process. Army requirements determination begins with the Army Vision, which integrates the Joint vision for US armed forces of the future and Army requirements to accomplish its role in that vision. The process establishes military requirements based on desired Joint and Army warfighting capabilities.

(1) Joint Publication 1–02 defines a military requirement as an established need justifying the timely allocation of resources to achieve a capability to accomplish approved military objectives, missions, or tasks.

(2) Driven by warfighting concepts focused on the future and on experimentation in battle labs, military requirements emanate from three sources. They emerge from the Army combat development community led by the Training and Doctrine Command (TRADOC). They stem also from needs expressed by Army field commanders and from senior leader guidance and decisions.

(3) Requirements determination considers the full spectrum of Army operations and functions. And it addresses all DOTMLPF domains (doctrine, organization, training, materiel leadership and education, personnel, and facilities).

b. Validation and approval. The Army retains approval authority for validating military requirements at the level of the Chief of Staff, Army. Centralizing validation focuses efforts to develop clear value-added capabilities matched to future goals-both Joint and Army. Toward this end, HQDA applies rigorous analysis of the contribution made by a requirement to overall operational objectives of the future Army force as well as to its joint interoperability and affordability.

(1) HQDA procedure employs an Army Requirements Oversight Council (AROC), chaired by the VCSA. The AROC validates DOTMLPF requirements and recommends them for approval to the CSA through the Army Requirements Review Council (RRC). In discharging its function, the AROC aligns Army requirements closely to the Joint Staff Requirements Generation System (RGS) and reviews Army and Joint requirements for validation within the Joint process.

(2) HQDA uses G–3's Directorate of Requirements (DAMO–RQ) as the Army's single point of entry for military requirements, whether emergency or routine. With representatives from selected commands and across the HQDA staff, the directorate shepherds each requirement through the validation and approval process. A major objective is to assure that the Army program remains requirements based.

(a) In furtherance of that aim, the directorate coordinates closely with the PEGs. Beginning in October and November, in the early stages of program development, requirements staff officers work with PEGs to make sure that funded programs have a clearly definable and documented link to military requirements or leadership designated capabilities. Together, PEGs and their requirements staff representatives attempt to strengthen linkages of programs meeting this criterion and to terminate those failing to do so. In January, when formal preparation of the program gets under way through April, these efforts continue during deliberations to approve the individual Management Decision Packages (MDEP) that make up each PEG program. Once again, the aim is to make sure the unfolding PEG program links to validated military requirements and leadership-designated capabilities.

(b) If unresolved at the PEG level, a program earmarked for termination is forwarded through the Assistant G–3 for decision.

9–50. Army Modernization Plan

a. G–8 prepares the Army Modernization Plan (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. Its modernization objectives reflect the vision and guidance of the senior Army leadership.

b. The AMP describes required capabilities resourced through the PPBES. It describes the relationship between desired future capabilities and the materiel solution.

c. The AMP, the Army Science and Technology Master Plan (ASTMP), and the Weapons System Handbook present the total picture of the Army's RDA investment. The AMP also supports the review of the President's Budget by congressional authorizing and appropriation committees and their staffs.

9–51. Army Research, Development, and Acquisition Plan

The G–8 with the Assistant Secretary of the Army (Acquisition, Logistics, and Technology) (ASA(ALT)) prepares the Army Research, Development, and Acquisition (RDA) Plan. The RDA Plan analyses requirements for battlefield and infrastructure capabilities and ranks the requirements in priority order. It matches the requirements to materiel solutions, that is, to RDT&E and procurement programs. Developed by HQDA and the Training and Doctrine Command (TRADOC) and guided by the National Military Strategy (NMS) and Defense Planning Guidance (DPG), the materiel solutions provide an integrated RDA position. What follows describes the plan in greater detail.

a. The RDA Plan is a 15-year plan for developing and producing technologies and materiel to advance Army modernization. Imposing mandatory TOA controls, the plan restricts modernization to those efforts that are both

technically and fiscally achievable. The process truncates requirements developed through unconstrained planning into an RDA program that, within limited resources, maximizes warfighting capabilities and supporting infrastructure.

b. Represented by the G–8 RDA database, the plan presents the RDA program as a required set of Management Decision Packages (MDEP) arrayed in 1-n order by G–8 and ASA(ALT). Each MDEP describes a program, function, or organization and the dollars and system quantities needed. It not only covers the 6-year FYDP but also the 9-year Extended Planning Period (EPP).

c. A continual process, the RDA Plan focuses on periodic revisions to the RDA database. Revisions typically occur during preparation of the combined POM/BES (April to August) and the President's Budget (October to January). During these periods, HQDA adjusts the FYDP years, or first 6 years of the plan. Then, the Army's RDA community adjusts the final 9 years, making sure progression from POM/BES to the President's Budget and Extended Planning Period (EPP) is not only affordable but executable.

d. Each December, TRADOC provides HQDA its recommendations on materiel requirements, arriving at the recommendations through a Warfighting Lens Analysis (WFLA). The process takes into account such guidance as the NMS and DPG as well asThe TAP, the AMP, and integrated priority lists (IPL) of the combatant commanders. The WFLA compares future capabilities required by the total force against the fiscally constrained budgeted force. The comparison determines force modernization needs, which TRADOC rank orders according to their contribution to mission accomplishment.

9–52. 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 Total Army Analysis (TAA), a computer-aided force developmental process conducted every 2 years.

b. Drawing on guidance in Defense Planning Guidance (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 mis-matches and shortfalls. To overcome shortfalls and mitigate warfighting risk, a Resourcing Conference Council of Colonels proposes various adjustments to the programmed force. Made within the force structure allowance of the Active Army, ARNG, and AR, 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 AR 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. It determines whether the TAA force can be trained, manned, equipped, and resourced within the resourced levels of the POM. The process forwards issue proposals 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.

9–53. Force management

a. HQDA enters the TAA approved force into the Structure and Manpower Allocation System (SAMAS), which serves as the database of record. Detailed integration and documentation of the force centers on the Command Plan process. During this process, the Army updates and creates modified 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 G–3 releasing a Command Plan (CPLAN) guidance message. CPLAN guidance sets the focus for a forthcoming documentation cycle and lists documentation priorities and actions. Draft MTOEs are prepared by the Force Management Support Activity and reviewed by HQDA and the owning MACOMs. Proposed CPLANs 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 (ARSTRUCT) Guidance. CPLANs reflect the current and projected force structure of each command. CPLANs normally contain only military manpower. After HQDA review, G–3 publishes an adjusted MasterForce (MFORCE) reflecting the approved plan. The adjusted MFORCE provides the basis for resourcing personnel and equipment in draft MTOEs and TDAs.

c. The Army Authorization Documents System (TAADS) applies to the Active Army, ARNG, AR, 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 (ICP), and Basis-of-Issue Plans (BOIP). 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. As mentioned, the Structure and Manpower Allocation System (SAMAS) serves as the force development database of record, which registers 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 and Budget Guidance (PBG) file (commonly referred to as the budget file). The budget file reflects the approved CPLAN force structure plus additional budgeting assumptions, and it produces the Manpower Addendum to the PBG.

f. The Automatic Update Transaction System (AUTS) runs at the close of the documentation cycle. AUTS compares the Force 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 G–1'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 and Structure 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 I
Operational Planning Link to the PPBS

9–54. 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, combatant commands and their Service component commands develop concept plans (CONPLAN) and operation plans (OPLAN). Based on capabilities reflected in the President's Budget, the plans employ the current (budgeted) force to carry out military tasks assigned in the Joint Strategic Capabilities Plan (JSCP). Plan preparation and review return information about shortfalls and limiting factors for consideration in current planning, programming, and budgeting.

9–55. Missions and tasks
The JSCP carries out the NMS through unified command operation plans (OPLAN). 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 combatant commanders. It also apportions the combat forces expected to be available. Annexes amplify guidance, capabilities, and tasks in specified functional areas.

9–56. OPLAN development and review
a. HQDA provides Army Component Commands (ACC), supporting MACOMs and the Army National Guard (ARNG) and U.S. Army Reserve (AR) additional guidance through the AMOPES, which provides planning assumptions, policy, and procedures. It applies both to mobilization and to military operations before the involuntary call up of forces from the Army Reserve Component. 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. Army Component Command (ACC) 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 OPLANs of the combatant commands. Issues remaining after negotiation become the subject of a force confer-
ence in December of the even year and logistics and transportation conferences the following August. ACC, 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), combatant commanders submit their OPLANs for final JCS review and approval. The
OPLANs provide a basis for their integrated priority lists (IPL), which influence program development. Their earlier
drafts have influenced the Army Requirements Determination process as well as command program and budget input.

Section II
Integrated Programming-Budgeting Phase

9–57. Army programming and budgeting
A single decision process, integrated programming-budgeting produces a combined Program Objective Memorandum
and Budget Estimate Submission (POM/BES) as products of both the biennial PPBES cycle and its offcycle update
(para 9–66, below) Then, after OSD review, it helps produce the President's Budget. Once the President's Budget goes
to Congress, the Army presents and defends its portion of the budget in congressional hearings.

9–58. Guidance
a. Defense Planning Guidance. The primary product of the OSD planning phase, the Defense Planning Guidance
(DPG) (para 9–42a, above) identifies key planning and programming priorities to carry out the National Military
Strategy (NMS). OSD issues the DPG in the even year before POM/BES build and normally provides an update for
off-cycle program development.

b. Army Program Guidance Memorandum. Discussed in paragraph 9–47, above, the Army Program Guidance
Memorandum (APGM) provides direction to Program Evaluation Groups (PEG) to prepare them for the POM/BES
build. It outlines strategic guidance and issues programming guidelines. In addition, it defines resource tasks for PEG
goals, relating each task to one or more Management Decision Packages (MDEP).

c. Technical Guidance Memorandum. G–8's Director of Program Analysis and Evaluation (DPAE) complements the
APGM with a Technical Guidance Memorandum (TGM) outlining program intent with respect to resourcing the Army
Vision. The TGM also providescoor coordinating instructions to guide PEGs during the POM/BES build. Additional,
PEG-by-PEG, guidance lays out programming priorities for specific programs set by the SecArmy and CSA and, for
some programs, specifies a particular level of funding.

d. Fiscal Guidance. Before the POM/BES build, OSD issues Fiscal Guidance establishing the Army's total obliga-
tion authority (TOA) over the program 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. tions.

e. Program and Budget Guidance. DPAE issues Program and Budget Guidance (PBG) typically twice each year,
after forwarding the President's Budget and combined POM/BES. An enterprise product, the PBG is produced jointly
by ASA(FM&C)'s Budget Formulation Division (SAFM–BUC–F) and the G–8's Program Budget Data Management
Division (DAPR–DPI) in coordination with G–3's Force Accounting and Documentation Division (DAMO–FMP). The
PBG provides resource guidance to major Army commands (MACOM), Program Executive Offices (PEO), and other
operating agencies. Narrative Guidance instructs 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.
A related automation file reflects the status of command agency resources for commands and agencies to use in
updating their databases for the forthcoming PPBES cycle.

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, 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. Programming Data Requirements. Before each POM submission, OSD updates a web-based manual entitled
Programming Data Requirements (PDR). The PDR gives instructions for preparing and submitting data, requirements,
and program justifications to support component POMs. Prescribing formats and exhibits, its instructions describe
programming data requirements and some budgeting data, which components submit using OSD's Select and Native
Programming (SNaP) Data Collection System.

h. POM preparation guidance. As required, HQDA issues RFG volume 4, augmenting OSD PDR with additional
guidance for preparing the POM.

i. BES preparation guidance. Two OSD budget guidance documents affect content of the BES. 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.

9–59. Resource framework

Since inception of the current Army Vision, its underlying processes and structure have evolved beginning with Transformation, then adding Readiness, and finally People. To guide decision making and to make sure that its program remains balanced across these three interdependent components, the Army maps its resources into the Army Resource Framework shown in figure 9–9. By standardizing descriptions of key resource categories, the framework helps the Army account for and explain the complex funding relationships that underlie the resources required to carry out its programs.

The Army Vision
Resource Framework
People
Well-Being
Leader Development
Man the Force

P

Readiness
Unit Training
Sustainment
Installations & Infrastructure

R **T**

Transformation
Objective Force
Interim Force
Legacy Force
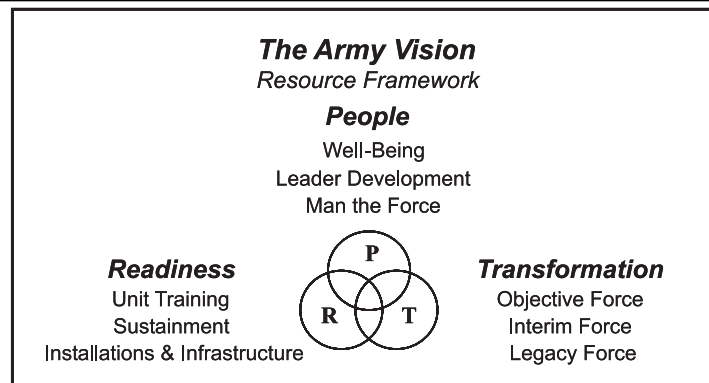
Figure 9–9. Army Resource Framework

9–60. POM preparation

a. Start up. The integrated programming-budgeting phase starts the biennial process, typically in October in the odd years, even as OSD reviews the recently forwarded POM/BES. In developing the Army program, 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 other operating agencies for manpower, operation and maintenance, housing, and construction.

b. Initial programmatic review. From October through December, HQDA—

(1) Reviews the existing program to determine program deficiencies.

(2) Sorts existing Management Decision Packages (MDEP) by Program Evaluation Group (PEG).

(3) Establishes force structure and civilian manpower authorizations.

(4) Responds to changes recorded in Program Decision Memorandums (PDM) and Program Budget Decisions (PBD) emanating from OSD program and budget review (para 9–63, below).

c. Preparing the database

(1) Formal preparation of the POM/BES starts once the President's Budget goes to Congress. This usually occurs after the first Monday in January but not later than the first Monday in February. As a start point, DPAE establishes a base file in the PPBES database that reflects the budget's resource position. 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 Army Management Structure codes (AMSCO) 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.

(2) Figure 9–10 shows timelines for updating the PPBES database and other significant events for the FY 2004–2009 POM/BES build.
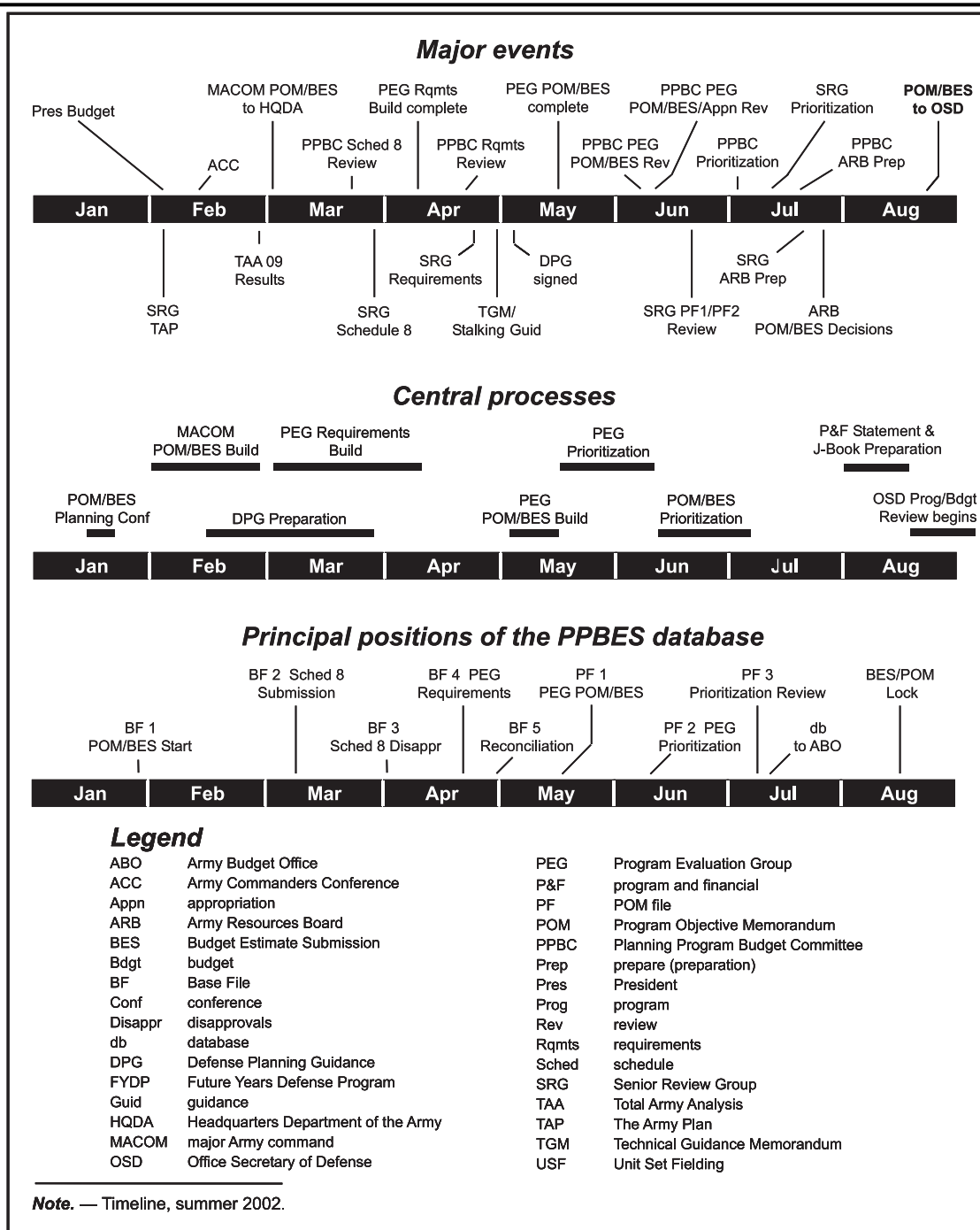
Figure 9–10. Representative Timeline for POM/BES build

d. Command participation. MACOMs participate in the PPBES process as do PEOs, which report through the Army Acquisition Support Center (ASC). These 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 commanders of Army Component Commands (ACC) integrate operational requirements of the combatant command into their program and budget input. In addition, combatant commanders highlight their pressing requirements in an integrated priority list (IPL) that receives close review during program development by HQDA, the Joint Staff, and OSD.

e. Use of Program Evaluation Groups

(1) As mentioned, HQDA packages program requirements into MDEPs, each deriving from one of five resource management areas (para 9–23b, above). 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 March through May of the following year. Figure 9–6, above, outlines PEG areas of interest.

(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 total obligation authority (TOA) guidance. They review command and agency requested requirements submitted via Schedule 1s and their POM. They at the same time review integrated priority lists (IPL) of the combatant commands as well as resource needs expressed by the supporting Army Component Command (ACC). 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 CIO/G–6 provide technical assistance to the PEGs and monitor actions to integrate priorities and statutory, Defense, and Army requirements for their respective programs.

(5) Based on review of military requirements relating to their Title 10 area of interest, each PEG builds an executable program, making sure it not only is reasonable but also has continuity and balance. In the process, the PEG—

(a) Validates requested changes submitted by MACOMs, PEOs, 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 validated programs as PEG input to G–3's overall 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, avoids imprudently high risk, and maintains the executability of mandatory programs and subprograms.

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

f. Internal program review. The Planning Program Budget Committee (PPBC) meets periodically throughout the POM/BES 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 Army Resources Board (ARB) convenes in one or more sessions in late July to review and approve the completed program and resulting budget estimates.

g. Program Objective Memorandum. The biennial POM, which documents the program decision of the SECARMY and CSA, presents the Army's proposal for a balanced allocation of its resources within specified OSD fiscal and manpower constraints. POM subject matter remains relatively constant from cycle to cycle but varies as required to address special issues. Topics of the FY 2004–2009 POM appear in table 9–13.

Table 9–13
Topics covered in POM/BES 04–09

Introduction
Forces
Investment
Operations and Support
Infrastructure - Environmental
Infrastructure - Defense agencies
Manpower and Personnel
Defense Working Capital Fund

9–61. Program and budget correlation

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, both programmers and budgeters make sure that programmatic decisions receive proper costing and that Army resource decisions can be defended during budget reviews conducted by OSD, OMB, and Congress. Working closely together, programmers and budgeters 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.

b. Figure 9–11 shows the 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.
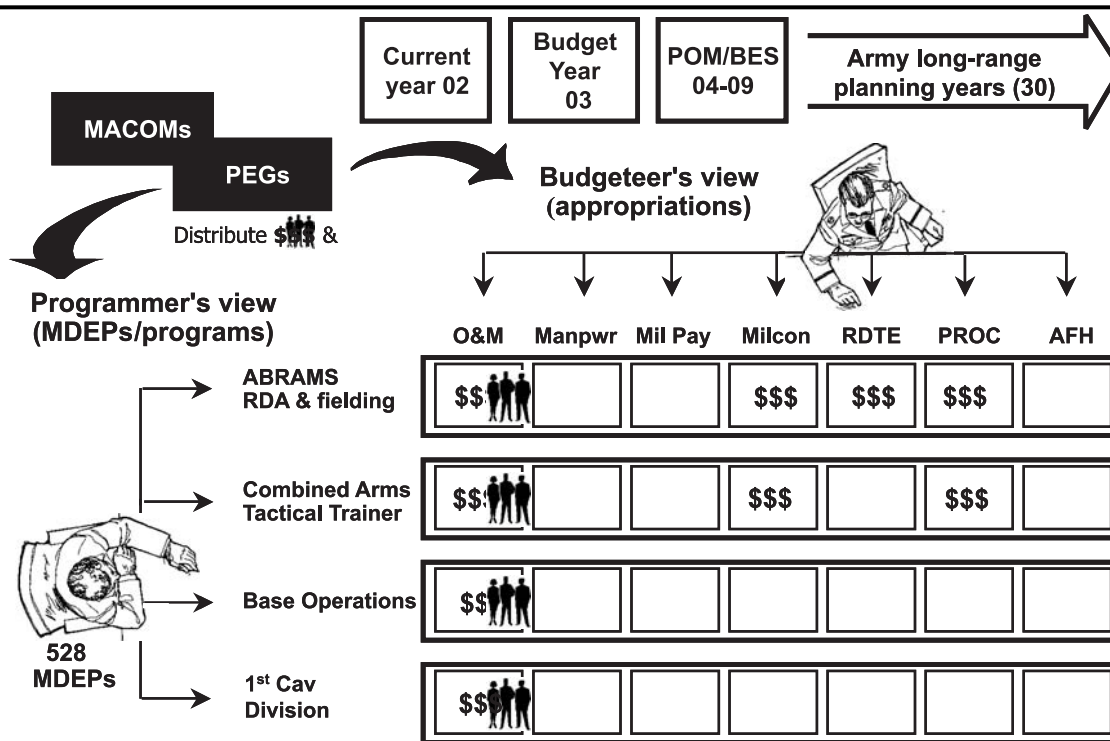
Note.—The PPBES goal centers on simultaneously developing a 6-year Program Objective Memorandum (POM) and 2-year Budget Estimate Submission (BES).

Figure 9–11. Program versus budget perspective

9–62. BES preparation

a. As mentioned, HQDA prepares the BES concurrently with the POM, submitting the combined POM/BES to OSD in late August. The BES covers the first 2 years of the program approved by the SECARMY and CSA.

b. In fact, however, one or more events may cause HQDA to re-address certain POM/BES decisions. For example, during program-budget preparation, Congress reviews the budget for the upcoming fiscal year. The review requires that the Army track resultant congressional actions and make appropriate adjustments in the BES. Also, after completing the POM, changes occur in rates and prices available during POM build. The later information often requires altering such rates and prices as those for the Army Working Capital Fund, pay, fuel, or inflation.

9–63. OSD program and budget review

The OSD reviews the combined POM/BES, beginning soon after its submission. Based on data derived from identical program baselines, the concurrent program and budget review continues until late December. It concludes when the Administration makes final Presidential Budget decisions. Figure 9–12 highlights events during review of POM/BES FY 04–09.

a. Issues center on compliance with the DPG, the overall balance of Service programs, programmatic issues deferred during DPG preparation, and late-breaking large issues. Considered only once, each issue develops 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 as two- or three-page issue papers that recommend alternatives to POM-submitted programs. Proposed additions and reductions sum to zero, adding nothing to the cost of the defense program. Combatant commanders also may submit proposals but need not balance theirs.

b. 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.

c. The Under Secretary of Defense (Comptroller), Vice Chairman of the Joint Chiefs of Staff, and OSD Director of Program Analysis and Evaluation decide the disposition of issues.

(1) By late November, after review officials have debated outstanding issues, the DepSecDef issues one or more Program Decision Memorandums (PDM) directing specific changes to program positions of the submitted POM. Before completing the budget if it is needed, the DepSecDef publishes a Summary PDM along with a memorandum describing the disposition of programmatic issues.

(2) All other issues during the review are decided through Program Budget Decisions (PBD). Focusing on proper pricing, reasonableness, and executability, PBDs present at least one alternative to the BES position in the budget area addressed. A PBD may be based on errors or on strength of justification. It may result from analytical disagreement. Or it may be motivated by cost savings or changes in policy. Whatever the reason, the Army analyzes each PBD and responds to OSD, either agreeing or disagreeing with the OSD position.

d. After the DepSecDef or USD (Comptroller) has signed most PDMs, PBDs, and Management Initiative Decisions (MID), each Service selects as Major Budget Issues (MBI) certain 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 process, the SECARMY and CSA meet with the SecDef and DepSecDef on Major Budget Issues. After the meeting, the SecDef decides each issue, if necessary meeting with the Office of Management and Budget (OMB) or the President to request additional funds or recommend other action.
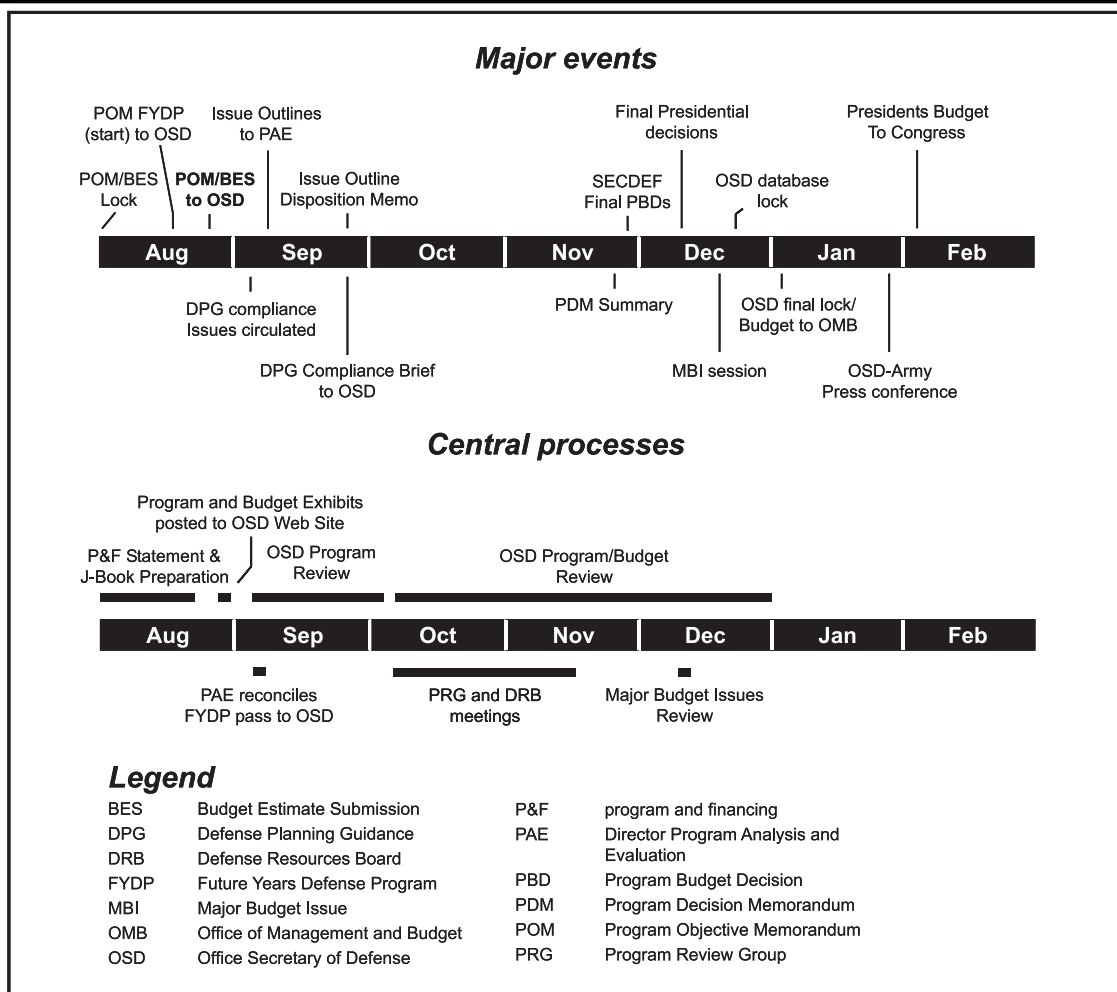
Figure 9–12. Representative timeline for program and budget review

9–64. President's Budget

a. In December, at the end of the PBD cycle, OSD normally issues a final PBD or OSD memorandum incorporating any changes from deliberations on MBIs, thus completing the PBD process.

b. 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/BES cycle, the President's Budget covers total obligation authority (TOA) estimates for the budget year and budget year plus 1. For the off-cycle update the following year (para 9–66, below), the budget year plus 1 becomes a revised second budget year.

9–65. Justification

a. Congressional budget hearings

(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 with ASA(FM&C)'s Budget Liaison Office 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 subcommittees complete their review, the Senate and House vote on the committee bills. Differences between the Senate and House versions are 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 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 national defense requirements.

9–66. POM/BES updates

a. Congress requires the President to submit annual budgets notwithstanding the biennial PPBES cycle. The requirement has led OSD to update the combined POM/BES in the off-cycle year. The focus centers on revising the program, now minus 1 year to—

(1) Keep the 5 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 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 program, the task of making resource changes shifts from budget analysts to program analysts.

c. The process remains essentially the same as for the biennial POM/BES, but abbreviated. For the update, the Assistant G–3, Director of Program Analysis and Evaluation (DPAE), and Director of the Army Budget (DAB)—

(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 Army senior leadership to detect changes since the spring and summer before, when preparing the original POM/BES.

(4) Adjust for the latest fiscal guidance.

(5) Review issues raised by PEG chairmen.

Section III
Budget Execution Phase

9–67. 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, 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, OMB, and Congress apply execution feedback to adjust resource requirements during their deliberation on the Army's budget.

9–68. Financial management

The budget execution process applies funds appropriated by Congress to carry out authorized programs. This process first entails apportioning, allocating, and allotting funds. It then entails obligating and disbursing the funds, and reporting and reviewing the effectiveness of executing them. The procedure also involves performing in-progress evaluations and making necessary course corrections to reallocate resources to meet changing requirements that develop during execution. Known as reprogramming (para 9–73, below), making course corrections involves 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.

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 (Comptroller) must release program authority.

(2) Before the Army can execute its programs for the new fiscal year, it must load all these authorities into the Program Budget Accounting System (PBAS), which is operated by the Defense Finance and Accounting Service (DFAS). Additionally, PBAS must be loaded with execution restrictions in accordance with congressional language. Finally, appropriation sponsors must spread undistributed decrements in the appropriations act to the appropriate program.

b. Apportionment

(1) An apportionment requires a specific request. Using SF 132, Apportionment and Reapportionment Schedule, the ASA(FM&C) Funds Control Officer (SAFM–BUC–E) prepares the request within 5 days of the availability of an appropriations act or in response to approved reprogramming requests, supplementals, or rescissions. OSD approves or revises the apportionment requests and submits them to the Office of Management and Budget (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))-at the start of the fiscal year rather than on an incremental basis, funding 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 investment accounts, the Army releases program and budget authority in equal amounts. Actual expenditure, however, depends on OSD program controls wherein the USD (Comptroller) gives the Army specific program releases that further control expenditures.

(a) For the RDT&E appropriation, the program is released at the program element (PE) level (SD Form 440, Research, Development, Test and Evaluation Program/Fund Authorization). These are the same levels as those authorized and appropriated by Congress and reported in the DD Form 1414, Base for Reprogramming Actions and DD Form 1416, Report of Programs, which are provided to Congress to show execution changes to appropriated amounts.

(b) For the procurement appropriations (Aircraft, Missiles, Weapons & Tracked Combat Vehicles, Ammunition, and Other Procurement), the program is released at the budget line item (BLIN) level (SD Form 440).

(c) Both the MILCON and the AFHC appropriations are released at the project level (OSD Format 460 for Military and Family Housing Construction accounts) as contained in the conference report accompanying the Military Construction Appropriations Act.

(2) Program releases for the operating accounts (Operation and Maintenance (O&M) and Military Personnel (MILPERS) are contained in the obligation authority (OA) letter issued by the USD (Comptroller). OSD issues a separate OA letter for Army Family Housing (Operations) (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 authorize payments as materiel is delivered or as services are performed.

(3) Installations, commands, and appropriation sponsors conduct joint reconciliations (para 9–77, below). 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. The Deputy Assistant Secretary of the Army (Financial Operations) (SAFM–FO) manages the Army's Joint Reconciliation Program.

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 to the submitted budget. Changes include congressional adds, denial of programs, and changes to submitted funding levels. Changes also include identification of congressional special interest items, undistributed reductions, and any language relating to execution of the programs. Army applies such changes 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, budget line item number (BLIN), program element (PE), Army program elements (APE), 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 initial 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 Army Family Housing (Operations) (AFHO) appropriations. (The Army National Guard (ARNG) and U.S. Army Reserve (AR) issue their own funding letters for their operation and maintenance appropriations.) The letters indicate funded programs and give guidance on how the programs should be executed. The funding letters also provide an audit trail from the resource position in the President's Budget to the revised, appropriated position. The OMA letter outlines the funding posture and goals set by the senior Army leadership for command execution. Preparing and issuing the funding letter takes about 60 days after the appropriations act is passed.

9–69. Revised approved program for RDT&E

HQDA issues a Revised Approved Program (RAP) for the Research, Development, Test, and Evaluation (RDT&E) appropriation. The RAP shows congressional changes at both the program element (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 (Comptroller) 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 does not become available until several months after the appropriations act is enacted.

9–70. Program Budget Accounting System

a. The Program Budget Accounting System (PBAS) is used to issue both the program and its Budget Authority (BA) to commands and agencies for all appropriations. Once appropriation sponsors determine the revised appropriated level for each appropriation, they adjust the amounts in PBAS. Each program and its Budget Authority (BA) are released in equal amounts for all appropriations except O&M, MILPERS, and AFHO. These accounts receive the total program for the fiscal year but receive Budget Authority (BA) quarterly throughout the year. Budget Authority (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. 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. ASA(FM&C)'s Funds Control Officer (SAFM–BUC–E) reviews requests for compliance with congressional language and guidance of the USD (Comptroller) before entering the action in PBAS. PBAS produces documents that display both Budget Authority (BA) and the program. The documents include a section for remarks for executing the program and footnotes that provide statutory restrictions according to provisions 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 appropriation structure can only be made at HQDA and must be approved as a change to DFAS–IN Manual 37–100-****. This manual 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 at HQDA. The use of the keys in PBAS varies from one appropriation to another. PBAS also has special keys that identify congressional special interest items or programs that have been denied by Congress.

9–71. Obligation and outlay plans

a. During December and January, ASA(FM&C), in coordination with field activities and appropriation sponsors, develops obligation plans for each appropriation. Outlay plans are developed unilaterally at the ASA(FM&C) level. Obligation plans address unexpired funds. Outlay plans address unexpired, expired and no-year funds.

b. ASA(FM&C) sends completed outlay plans to the USD (Comptroller). Although the USD (Comptroller) discontinued a requirement to submit obligation plans, the Army continues their use internally since OSD still reviews Army obligation rates and requests rationale for execution rates that fall outside normal parameters.

c. Based on command estimates of annual obligations, both plans tie to obligation and outlay controls in the President's Budget. The importance of the outlay plan is that it relates directly to projected amounts the Treasury must borrow to maintain proper balances to meet expected disbursements (outlays).

9–72. 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 or mission 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 request (DD Form 1415, Reprogramming Action). 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. Fiscal year 1991 marked the first year of Omnibus Reprogramming procedure, that, except for construction accounts (which use a different process), consolidated all non-emergency DOD prior approval 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 to make smarter decisions.

9–73. 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 for 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 IV
Program Performance and Review

9–74. Program implementation
MACOMs, PEOs, 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, Army Management Structure code (AMSCO), Army program element (APE), project number, budget line item number (BLIN), standard study number (SSN), budget activity (BA), budget activity group (BAG), and element of resource (EOR). They also account for use of allocated manpower by Unit Identification Code (UIC). The manpower and financial data obtained help commands and agencies develop future requirements.

9–75. Performance Assessment
ASA(FM&C) oversees key Cost and Performance Measures designed to give the senior Army leadership a corporate view of business efficiencies and program accomplishment. Accessible on Army Knowledge Online (AKO), Cost and Performance Measures leverage information technology to minimize meetings and reduce paper-laden processes.

9–76. Review of selected acquisition systems
The means for checking system program performance include milestone reviews of designated acquisition programs conducted by ASA(ALT) using the Army Systems Acquisition Review Council (ASARC) and Major Automated Information Systems Review Council (MAISRC).

9–77. Joint Reconciliation Program
This program applies the skills of those responsible for various aspects of financial management. The skills include skills 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.

Section V
SUMMARY AND References

9–78. PPBES concept
The PPBES process 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.

9–79. System products and process
The PPBES produces a departmental plan, program, and budget. Figure 9–9 lists typical events that occur during the process. Figure 9–10 shows the organizational framework within which the process operates.

9–80. 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. the Army Runs How the Army Runs*