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## Lunch and Learn – POM Process Update Discussion



Foundational Learning



Workflow Learning



Performance Learning

2 September, 2015  
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# AGENDA

## Outline

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- PPBE INTRO
  - PPBE PLAYERS
  - CHANGES TO POM 17-21
  - CAPABILITY BASED POM PROCESS
  - POM PHASES
  - POM EVALUATION BOARDS/OVERSIGHT COUNCILS
  - POM PHASE – WRAP UP
-



# What is PPBE?

Planning, Programming, Budgeting and Execution

- DoD's central process for:
  - Strategic planning
  - Program development
  - Resource determination
  - Budget justification and execution
- **PPBE process goals:**
  - **Integrate information** necessary to ...
    - ... **create effective plans** and programs that...
    - ... **address existing and emergent needs** ...
    - ... in a disciplined review and approval process

*PPBE is DoD's Resource Management system*

- **Primary means for SecDef to control allocation of resources**
- **Aims at achieving the best mix of forces, manpower, material, equipment and support**
- SecDef reviews Service inputs during every major event





## PPBE's Evolution Over Time

- 1961: PPBS introduced by McNamara
  - Established DIA as separate DoD agency
  - Emphasized “systems analysis” and established PA&E (now CAPE) in OSD

*“He could play an essentially passive role – a judicial role. In this role the Secretary would make the decisions required of him by law by approving recommendations made to him.”*



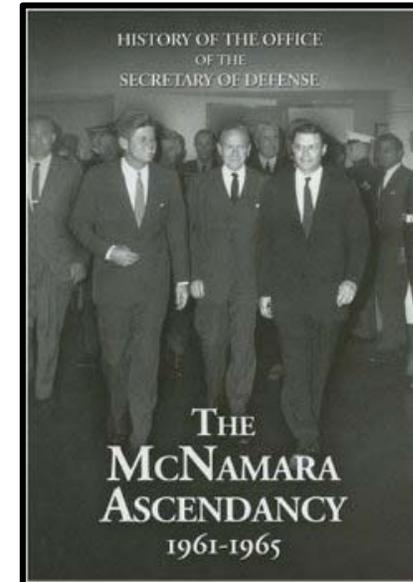
*“On the other hand, the Secretary of Defense could play an active role providing aggressive leadership – questioning, suggesting alternatives, proposing objectives, and stimulating progress.”*

*“This active role represents my own philosophy of management.”*



# OSD Official History

- “The period 1961 to mid-1965 **witnessed strenuous efforts by McNamara to establish greater control over the DoD budget** and to make the department function more efficiently and economically.”
- “**He regarded the budget as central to conceiving and implementing policy** and viewed it in the broader context of national security, embracing policy in its many aspects – the national economy, strategic planning, technology, force programming, collective security, military assistance, and resource allocation.”
- “**The strong leadership he exerted** benefited markedly from his personal relationship with and support from Presidents Kennedy and Johnson.”
- “His dynamic approach and aggressive style contributed to problems with the military and Congress....”





# PPBE Directive & Key PPBE Players

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## PPBE - DoD Directive 7045.14 (Jan 2013)

- Updates established **policy and responsibilities for the PPBE process**
- **Applies to** OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff (CJCS), the Combatant Commands, the Office of the Inspector General, Defense Agencies, DoD Field Activities, and all other organizational entities within DoD
  - “The PPBE shall serve as the **annual resource allocation process for DoD** within a quadrennial planning cycle.
  - The **Defense Strategy Review (SDR)**, force development guidance, program guidance, and budget guidance are the principal guides used in this process.
  - **Programs and budgets shall be formulated annually.** The budget shall cover 1 year, and the program shall encompass an additional 4 years.”



# The Key OSD Players

- SecDef - provides centralized policy throughout the PPBE process; exercises centralized control of executive policy direction by making major policy decisions, defining planning goals, issuing programming guidance, and allocating resources; provides the CCMDs additional opportunities for input and comment in all phases of the PPBE process
- DepSecDef - manages the day-to-day management and operation of the PPBE process. The Deputy Secretary of Defense, supported by his designated management process, provides overall PPBE leadership and oversight, and assists the Secretary of Defense in overall PPBE leadership roles.



# The Key OSD Players

- **OSD/Policy** - Conducts and **coordinates the planning phase** of the PPBE process
  - Prepare, coordinate, and publish planning guidance for the employment and development of the force
  - **Lead DoD-wide efforts for the **SDR** including development of the defense strategy**
  - **Review defense planning scenarios (see next slide) and national plans to determine the demands that might be placed on the DoD, identify shortfalls, and guide resource allocations based on strategic analysis when appropriate**
  - Advise the SecDef and DepSecDef concerning plans, programs, capabilities, and budgets to meet U.S. objectives and counter projected threats and on the degree to which the DoD program supports the defense strategy



# The Key OSD Players

- **A DPS provides a depiction of a threat to international security**, a corresponding mission for U.S. military forces, and a strategic-level concept of operation for carrying out that mission
- **SECDEF approves a single set of scenarios** to serve as a standard by which the senior leadership of the Department can gauge the sufficiency of the Defense Program
- A single set of scenarios ensures DOD **consistency for studies, war games, and experimentation**
- **OUSD(Policy) leads the scenario build process** and has final approval authority on DPS content
- **Joint Staff, J7 is responsible for developing Blue CONOPS** and leads a working group comprised of OSD, Joint Staff, Services, and Agency representatives who provide input into the DPS development.



# The Key OSD Players

- **Dir/CAPE** - Prepare and publish **DoD fiscal guidance**, DoD programming guidance and programmatic decision documents in coordination with the USD(C)/CFO, and the Future Years Defense Program (FYDP)
  - **Conduct and coordinate the DoD program review**
  - **Provide independent analysis and advice to the SecDef and DepSecDef concerning plans, programs, budgets, and capabilities in relation to U.S. defense objectives, projected threats, estimated costs, and resource constraints established in the PPBE process**
  - **Lead analytical efforts in support of the SDR; provide cost estimates for all SDR initiatives in order to recommend resource allocations to support these initiatives; and coordinate these analytical efforts with the USD(P)**



# The Key OSD Players

- **USD/Comptroller** - Conduct and coordinate the budget review by **evaluating the DoD Component budget submissions** for financial appropriateness while maintaining the administration's fiscal controls
  - Conduct program execution and performance reviews
  - Prepare and **publish budget decision documents** in coordination with the Director, CAPE
  - **Prepare** the DoD budget for **submission to** the Office of Management and Budget (OMB)
  - Present and **justify** the DoD **budget to** the **Congress**.
  - **Advise the SecDef** and DepSecDef **on all PPBE matters related to financial management**



# The Key OSD Players

- **DoD Components** – The Heads of the DoD Components shall **develop and execute the programs and budgets necessary to achieve national objectives in accordance with this Directive**, and provide the day-to-day management of the resources under their control
- **CJCS** - responsibilities include:
  - **Advise the SecDef on all PPBE matters** to include The Chairman’s Program Recommendation and Assessment of DoD Component programs and budgets as they relate to the priorities established in strategic plans and the requirements of the CCMDs and Chief/NGB
  - **Function as a joint warfighter advocate in all PPBE phases**, ensuring that cost-effective solutions for joint warfighter requirements are considered for funding by the DoD Components during the PPBE process
  - **Prioritize requirements within warfare capability areas** to assist the PPBE process in developing affordable solutions to warfighting problems



# The Key OSD Players



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MEMORANDUM FOR: SEE DISTRIBUTION

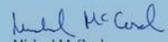
23 MAR 2015

SUBJECT: Schedule for Fiscal Year (FY) 2017 – FY 2021 Program/Budget Review (PBR)

The attached schedule outlines the general approach and milestones for this year's PBR. As mentioned previously by the Deputy Secretary, the Program and Budget reviews will be split from each other. The Program Review, conducted by Office of the Director for Cost Assessment and Program Evaluation (CAPE), will consider changes to the Components' Program submission, strategic capability balancing, and compliance with prior guidance. The Budget Review, conducted by the Office of the Under Secretary of Defense (Comptroller) (OUSD (C)), will evaluate the budget submissions submitted by the Components for ability to execute, and for compliance with Department of Defense and Office of Management and Budget fiscal, performance, and legislative guidance.

  
Jamie M. Morin  
Director, Cost Assessment and  
Program Evaluation

Attachment:  
As stated

  
Michael McCord  
Under Secretary of Defense  
(Comptroller)/Chief Financial Officer



# The Key OSD Players

## **FY 2017-FY2021 Program/Budget Submission/Review Schedule\***

Fiscal Guidance Issued	Mar 2015
FY 2017-2021 Program and Budget Guidance Issued (each separately)	Apr – May
Component POM Briefs to 3-Stars	6-10 Jul
Component Program Submissions Due PRCP - Line Item/PE level of detail	13 Jul
Select and Native Programming (SNaP) Exhibits Due Programmatic exhibits only	13 Jul
Component POM Briefs to DMAG	13-17 Jul
Draft FYDP Available	27 Jul
Issue Nominations Due	29 Jul
USD/COCOM Issue Briefs to Deputy Secretary	30 Jul – 14 Aug
Issue Nomination Disposition	17 Aug .
Program Review	17 Aug – 2 Nov

**FY 2017-FY2021 Program/Budget Submission/Review Schedule\*** Continued

<b>Budget Estimate Submissions Due to OSD</b> Complete CIS, PRCP detail. Includes fact of life changes from Program submission at the same Component fiscal guidance.	<b>8 Sep</b>
<b>Budget Justification Material Due to OSD</b> Including SNaP budgetary exhibits	<b>11 Sep</b>
<b>Budget Review</b>	<b>11 Sep – 23 Nov</b>
<b>Manpower Management System Memorandum of Agreement cut-off date</b>	<b>18 Sep</b>
<b>Programmatic Resource Management Decisions</b>	<b>2 Nov</b>
<b>Budgetary Resource Management Decisions</b>	<b>23 Nov</b>
<b>Budget Lock</b>	<b>18 Dec</b>
<b>President's Budget Released</b>	<b>1 Feb 2016</b>





# CAPABILITY BASED POM

1 Force Support

2 Battlespace Awareness

3 Force Application

4 Logistics

5 Command and Control

6 Net-Centric

7 Protection

8 Building Partnerships

9 Corporate Management and Support



Phase I  
Strategic Planning

DC, CD&I and DC, PP&O co-Lead  
Advocates and MARFORs support

As required updated to Expeditionary Force 21 & CMC-approved annual update to MCSCP and Force Development Guidance  
CMC signs EMROC approved MCSCP Force Development Guidance in June

Oct-Dec  
Phase II  
Capabilities Analysis

DC, CD&I (CPM Lead)  
Advocates & MARFORs support

- Assessment or Review
- Identifies/refines capability requirements & associated T/C/S

Input:

- Guidance & Scenarios
- CONOPS
- Annual Strength Report
- Previous MCCL

Output:

- CPIB-reviewed & prioritized
- CPRB-validated
- DC CD&I approved MCCL

*Legend:*

- MCCL - Marine Corps Capabilities List (prioritized)*
- MCGL - Marine Corps Gap List (prioritized)*
- MCSDD - Marine Corps Solutions Development Directive*
- ECMP - Enterprise Capabilities Management Plan (risk)*
- MCEIP - Marine Corps Enterprise Integration Plan*



## Jan–Mar

### Phase III Gap Analysis

DC, CD&I (CPM Lead)  
Advocates & MARFORs support

Identifies/refines gaps, shortfalls and excesses

Identify/Refine MCGL Data:

- Gaps derived from capability requirements
- Identify gap priority

#### Input:

- Current MCCL
- UNS(s)
- Previous MCGL

#### Output:

- CPIB-reviewed & prioritized
- CPRB-validated
- DC CD&I approved MCGL

#### Legend:

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Apr-Jun

Phase IV  
Solutions Analysis

DC, CD&I (CPM Lead)  
Advocates & MARFORs support

Examines capability gaps and excesses across DOTMLPF-P

**Input:**

- Current MCGL
- Previous MCSDD

**Output:**

- CPIB-reviewed & prioritized
- CPRB-validated
- DC CD&I approved MCSDD

*Legend:*

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Jul-Sep

Phase V  
Risk Analysis

DC, CD&I (CPM Lead)  
Advocates & MARFORs support

Translates future-focused strategic guidance into resourcing recommendations ISO Commandant's service goals for the Marine Corps' future 10 year objectives.

Input:

- Service Guidance
- Current MCCL
- Current MCGL
- Current MCSDD
- Previous ECMP

Output:

- CPIB-reviewed & prioritized
- CPRB-validated
- DC CD&I approved ECMP

*Legend:*  
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*MCGL - Marine Corps Gap List (prioritized)*  
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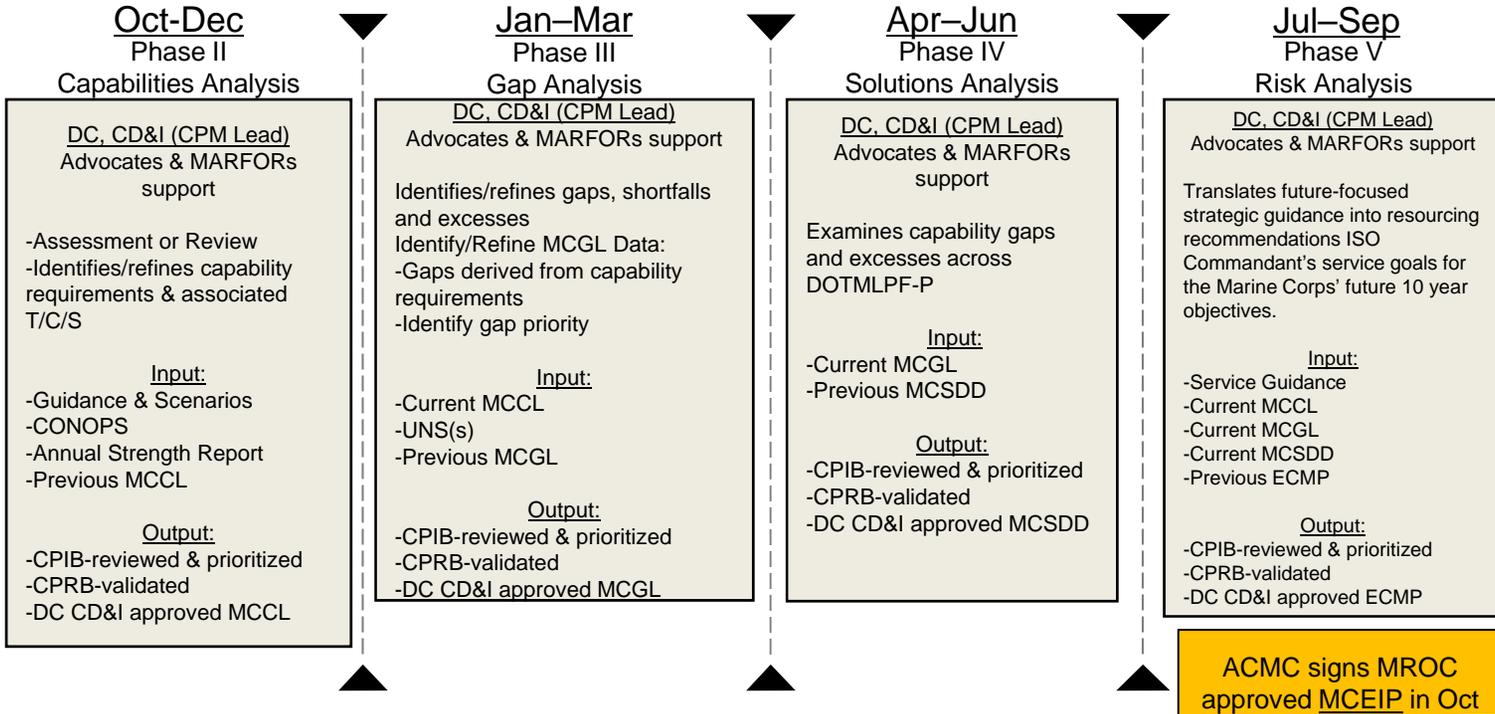
ACMC signs MROC  
approved MCEIP in Oct



Phase I  
Strategic Planning

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# POM-17

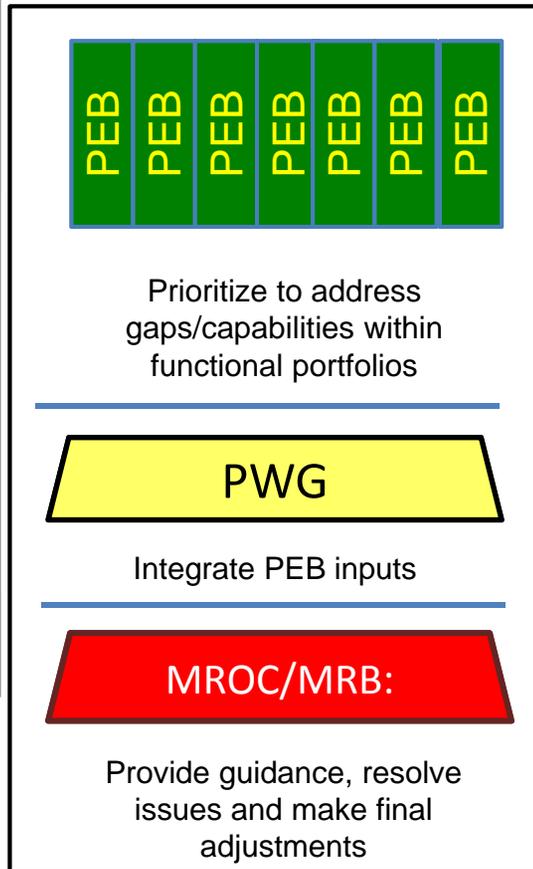


## MARINE CORPS ENTERPRISE INTEGRATION PLAN MCEIP





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•Program Evaluation Boards (LtCol/GS-14) **(PROG-POM)**

- Action Officer-level deliberations.
- 7 PEBs.
- Address issues in each functional area; develop solutions and assess/accept risk.

•POM Working Group (LtCol/GS-14) **(PROG-POM)**



Mission Assistance

- Scrubs/prioritizes/integrates issues from PEBs.
- Develops the message for and preps leaders.

•Marine Requirements Oversight Council (3 star)

- Council of Generals/Senior Executives that review/approve PEB/PWG output. **(Comdr)**
- Supported by 1-star Marine Requirements Board (MRB). **(DC RM/Exec Dir)**





## Program Evaluation Boards (PLANORD)

- Conduct PEB POM **Program Reviews**.
- Develop a **compliant solution** (complies with guidance and programming controls).
- Identify areas of **unacceptable risk**.
- May offer **non-compliant solutions** (none did).
- Develop options for **2% - 5% - 8% decrements**.
- Owners of multiple PEBs (Warfighting/Training and Sustaining/Installations) may **realign \$ between PEBs**.
- Present **initial solutions** for MROC review and CMC approval.
- **Update solutions** based on MROC/CMC guidance.



# Marine Requirements Oversight Council

(PLANORD)

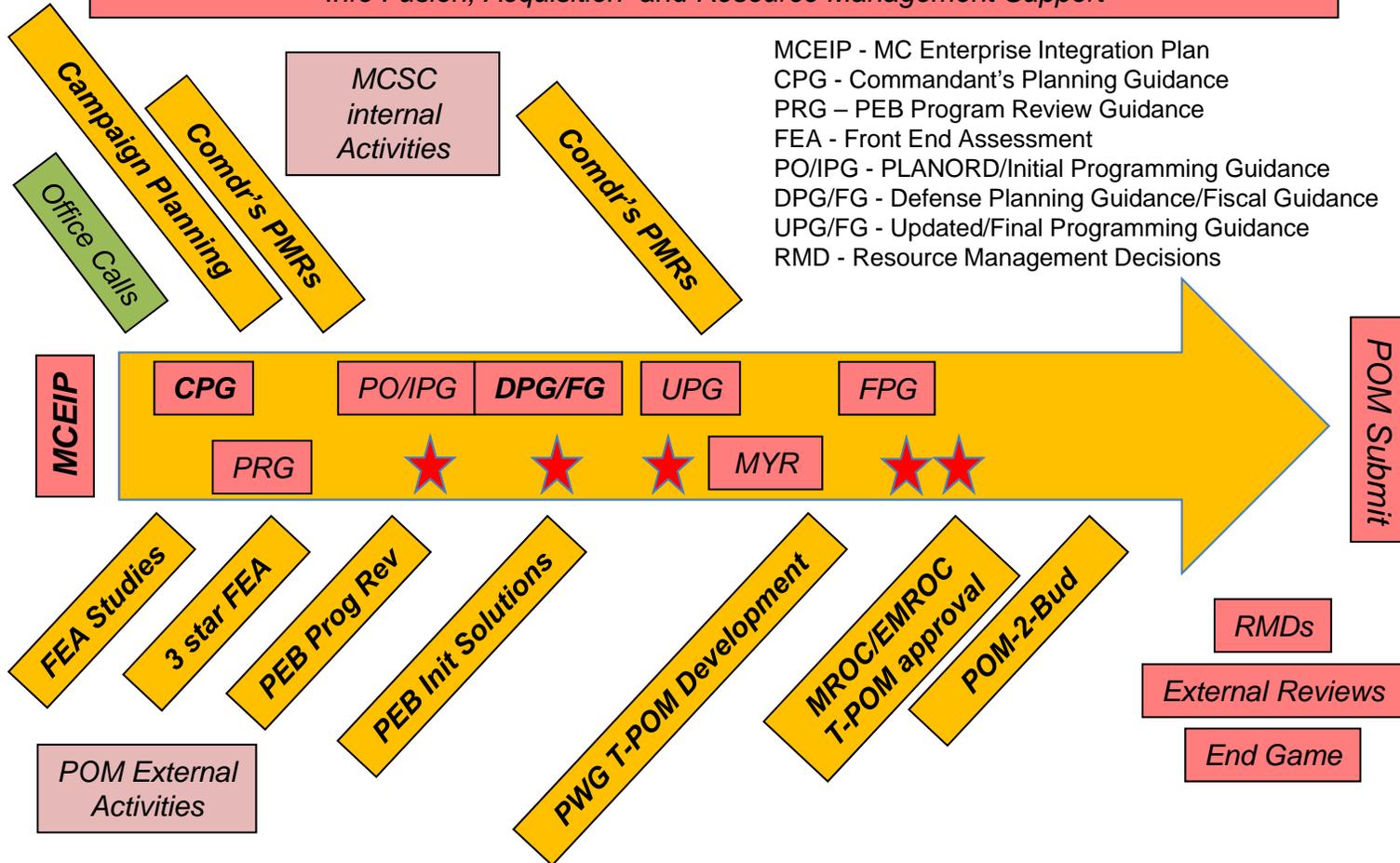
- **Chaired by Asst Commandant of the Marine Corps (ACMC).**
- **Supported by Marine Requirements Board (1-star/SES).**
- **Receives initial PEB Program Review out-briefs.**
- **Receives POM Kick-off brief.**
- **Review and approve Initial Programming Guidance.**
- **Review and deliberate on PEB initial solutions – includes E-MROC with CMC.**
- **Review and approve updated PEB solutions to accommodate reduced funding.**
- **Issue Final Programming Guidance to the PWG.**
- **Review PWG T/POM proposal.**



# PPBE Challenge – Pulling it All Together



Info Fusion, Acquisition and Resource Management Support





# Decomposing the Programming Phase

