Resource Management

Resource Management

Contents

Assistant Secretary of the Army
(Financial Management and Comptroller)

The Honorable Valerie L. Baldwin

"Business Transformation and the PPBE Process: Extinguishing the Burning Platform"

Some years ago, a drilling station in the North Sea caught fire, and a crewman stood on the burning platform. With flames getting closer by the minute, he had to make a decision: stay on the platform, which almost certainly meant death, or jump into the freezing water 100 feet below, where survival was possible but far from guaranteed. The man chose to jump. He lived through the fall and was picked up by a rescue boat.

In the business world, this story is quite popular as a metaphor for companies facing their own survival dilemmas. For example, in the early 1980s during his first weeks as chairman and chief executive officer of General Electric, Jack Welch immediately recognized that his corporation was on a burning platform: GE was completely dependent upon the manufacturing side of its business. Welch knew this dependency was dangerous to the overall health of GE and understood that the company was in serious trouble. He argued that GE had to become more competitive and introduced seemingly radical re-engineering ideas. His assessment of the company, as well as his solutions, made Welch wildly unpopular during those early years at GE. But it was his ability to abandon the burning platform, not his popularity, that made Jack Welch one of the most widely emulated managers in business history.

The Army faces a veritable burning platform, as well. Over the past few years, the Army has become reliant upon supplemental appropriations. This dependency is compounded by the lack of analytical rigor in evaluating requirements and undisciplined

spending. The day when supplemental funding decreases substantially (or disappears altogether) is approaching. We must prepare for that situation, now, and doing so mandates bold action – like jumping into the icy sea with no rescue boat in sight.

Secretary Harvey and General Schoomaker have given clear guidance: We must resource an Army that is fully manned, equipped and trained, and in which an appropriate quality of life is provided to Soldiers and their families. Essential, proven capabilities must lead our spending priorities. And, these objectives must be accomplished within available resources.

The Planning, Programming, Budgeting and Execution (PPBE) process offers a solid framework for achieving this mission. But, we need to refine our methodologies, approaches and overall outlook in order for it—and us—to be successful.

The relative abundance of today's $164 billion budget is not going to last; and our leadership has directed that we live within our means. Reestablishing fiscal discipline, therefore, is the key. Without it, we tend to make spending decisions that are neither resource-constrained nor reflective of the capability requirements of the corporate Army. We cannot continue this pattern and still serve our men and women in the field.

The secretary and the chief have stated that we must be a capabilities-based Army. What does this mean for resource management and how do we produce the right capabilities? In simple terms, capabilities are the end result of the work we do. The system starts with inputs – time, money and people – and it produces outputs or outcomes, which give the Army its capabilities. For example, we input procurement dollars to

generate an output of Stryker vehicles for a brigade combat team(BCT). When the outputs of many resource streams, such as equipment, training, maintenance and spare parts, are fused, the outcome is a BCT that is able to provide critical combat power to help fight the nation's battles.

The primary problem is that we tend to focus on inputs rather than outputs or outcomes. We must instead take a holistic view that links resource requirements and distribution directly to producing capabilities, rather than merely focusing on the percentage of a requirement that is funded. Programs should compete on the basis of their projected outputs and outcomes rather than their needed inputs. Doing so will not only help to build the strongest Army possible, but also will improve our dialogue (and perhaps our monetary results) with the Office of the Secretary of Defense, the Office of Management and Budget and the Congress.

How do we know whether we are funding and producing the right outputs and outcomes? The Army Campaign Plan and the Army Force Generation model set the mark. If a program does not directly support either, then it falls to the bottom of the priority list.

We also must change how we handle Army resources. Most often, we treat them as program entitlements, making it nearly impossible to consider trade-offs or to synchronize resources across Army functions. In addition, when faced with choosing among competing programs, our decisions are based on a combination of fact and subjective assessments regarding the value of each program—with perhaps too much emphasis on the subjective. Our process instead must promote decisions that are made strictly according to corporate objectives and the contribution of each competing program to creating essential capabilities. Reducing subjectivity will make it easier to gain buy-in for resource decisions, both within the Army and externally.

As we revamp our resource management approach, we must address cost estimates and program implementation plans that are too optimistic. Nearly everyone at some point has dealt with programs that experienced significant cost growth, implementation delays or both. Recently, the dynamic nature of the wartime environment and the volatile characteristics of asymmetric threats have exacerbated the problem. But, usually, unrealistic requirements are the result of ambiguous objectives and overly optimistic projections, developed by enthusiastic program advocates, that were never adequately challenged in the PPBE process.

We can prevent many instances of cost growth and program delays, and generally improve resource management, if we use PPBE better. We should ask a set of fairly straightforward questions: What is the output, outcome or essential capability we're buying? Where does this capability rank compared with competing priorities? Will existing programs provide a similar capability; if so, why should we pursue the initiative under discussion and, if not, in what way do they fall short? What off-sets are available to pay the bill? What are the alternatives and what do they cost? What is the impact on operations if the item is not provided? Analytical queries such as these should be raised at every step of the resource decision-making process, and we should not move forward until satisfactory answers are provided.

Additionally, FM&C, in coordination with G-3 and G-8, is developing estimates of what it costs to build and to maintain the doctrinal Army. These estimates will serve as guideposts during development of the program objective memorandum (POM) and budget estimate submission (BES), and for execution assessment.

The use of performance metrics also must grow. Rather than providing a program with funding because it has always been funded at a certain level, we will expect concrete results, reflective of well-defined performance objectives, before deciding upon additional dollars. ASA (FM&C) will establish meaningful metrics, including specific numeric targets, for all Army programs. During execution, we will collect actual performance data, analyze it to determine whether programs are meeting their assigned targets and, if not, why they haven't. The analysis must address all aspects of the program, including: what was spent, what was purchased, when the purchases were received, and if the goods and/or services performed well. Corrective action will be taken as needed.

These changes will not be effective, however, if we do not address the unfunded requirements (UFRs) culture. Over the program objective memorandum, validated requirements exceed funding by roughly $25 billion per year. To a certain extent, a robust list of requirements is a good thing, for it means that the Army has an aggressive process to identify programs to achieve our objectives. Yet, once we decide which programs will, and will not, be funded, the remaining UFRs seem to linger forever. These UFRs, which exceed appropriations by far more money than we could ever expect to receive, continue to be part of our ongoing dialogue. As a result, program managers, analysts and decision makers at all levels of the Army devote too much time to debating

additional funding for UFRs—time that could be better spent managing approved and funded programs.

The solution is to refine how we validate requirements. Up until now, program evaluation groups (PEGs) have validated requirements, applying their judgment to determine whether a proposed program supplies a necessary capabilities. Under the revised process, the PEGs will still be responsible for validating requirements but validation will be based upon a model or other analytical tool, rather than on subjective judgment. Furthermore, anything labeled a critical requirement must be fully funded. If it is not, then it simply cannot be considered critical. Thus, with an exception for completely unforeseen needs that must be addressed immediately, the term "critical UFR" will no longer be part of our vocabulary. This may seem like a minor modification. When advocates can no longer claim, however, that they have a critical program in need of additional funding, it changes the nature of our decision-making discussion. General UFRs likely will remain, but they should form an ever-smaller portion of the financial picture.

We also will expect more from our major commands (MACOMs) and program evaluation groups. Although many commands do an admirable job of supporting each new requirement with a business case analysis, the rigor and detail of that assessment must increase. Every new program must be supported by an analysis that explains the competing courses of action and identifies for each capabilities provided, performance metrics, operating and investment costs, and risks and alternatives. This mandatory assessment will be submitted to Headquarters.

Who participates when and in what capacity during the PPBE process plays a significant role, as well. For each POM/BES build, the major commands and program executive officers devote considerable time and energy to developing recommendations for Headquarters. At the Pentagon, however, we historically have not taken the best approach. PPBE issues typically are addressed in a stovepiped fashion and not viewed from an Army-wide perspective until passed to the Senior Review Group (SRG) at the very end of the process. By then, time is too short for the SRG to comprehend everything, especially potential tradeoffs and their consequences, and less-

than-optimal decisions frequently ensue. The corporate needs of the Army are not fulfilled.

Our senior leaders can, and should, take a more active role. For the upcoming POM/BES build, the SRG will be involved earlier and more often, beginning with the refinement of objectives and priorities. The SRG will meet throughout the PPBE process to review emerging recommendations and to provide guidance, particularly on cross-functional issues. Additionally, the leadership at the MACOM-level and above will be charged with broadening their outlook. It is appropriate to start the PPBE as a zealous advocate for your particular program or initiative; but, quickly, all leaders must assume a corporate perspective that considers the needs *and* mission of the entire Army. Understand your own PEGs and think strategically. Success is not the amount of money obtained for a MACOM, a PEG or a specific program, nor is it defined by how much is received to cover UFRs. The successful PPBE participant—whether an individual, a MACOM, a PEG or a Headquarters agency – is one who grasps the Army's goals and objectives; knows how his or her work contributes to achieving those goals and objectives; and applies sound analytical techniques to help the Army reach decisions regarding use of its limited resources.

It is clear that the factors that contribute to the Army's burning platform are within our span of control. We have a responsibility, both to the Army and to the nation, to make the best possible use of the resources entrusted to us. All of these reforms are independently prudent and particularly urgent in the likely context of dwindling funding.

The challenges are considerable and will take a concerted effort from all of us. I am confident that, with the contributions of our talented and dedicated professionals throughout the field, we will achieve a new focus and produce optimal decisions as we reach for our objectives.

As Charles Darwin said, "It is not the strongest of the species that survive, or the most intelligent, but the one most responsive to change." By being responsive, we not only will survive, but we will thrive. I look forward to working with you as we set out to reshape Army resource management.

Fiscal Year 2005
Army Resource Management Award Winners

Congratulations to our winners!!!

The reviewing panels met and the Assistant Secretary of the Army for Financial Management and Comptroller approved the selections for the FY 2005 Resource Management (RM) Awards. Here are the recipients.

For those who do not know, the OASA (FM&C) sponsors the RM Annual Awards Program to recognize and encourage outstanding performance of individuals, teams, and organizations to make significant contributions to the improvement of resource management. Open to both military soldiers and civilian employees, the RM awards are an excellent opportunity for the Assistant Secretary to recognize the "best of the best" in the resource management community.

Assistant Secretary Of the Army (FM&C) Civilian Award

The ASA (FM&C) Civilian Award recognizes the top civilian Army employee serving in a leadership capacity that the Assistant Secretary personally cites for outstanding contributions to the field of resource management. The ASA (FM&C) Civilian Award recipient is Mr. Gary Marlar, supervisory budget analyst and Chief of the Budget Division (USAREUR). Mr. Marlar's focus allowed USAREUR to meet all of its Global War on Terrorism requirements as well as the US NATO commitments and continued operations in the Balkans, during significant fiscal challenges. In addition, he led his organization to identify not only $25 million in contract costs that could be deferred until FY06 but also $80 million in either reduced, avoided, or deferred GWOT costs that could be re-applied to other requirements.

Assistant Secretary Of the Army (FM&C) Military Award

The ASA (FM&C) Military Award recognizes the top military soldier serving in a leadership capacity that the Assistant Secretary personally cites for outstanding contributions to the field of resource management. The ASA (FM&C) Military Award recipient is COL Thomas Horlander, Comptroller, V Corps, Heidelberg, Germany. COL Horlander combined hard work, innovation, and extreme dedication to ensure V Corps and its subordinate units received the resources necessary to successfully accomplish the Global War on Terrorism mission during FY 2005.

Functional Chief Representative (FCR) Special Award

The FCR Special Award recognizes someone serving in a leadership capacity that the FCR, personally cites for outstanding contributions to the Comptroller Civilian Career Program.

The FCR Special Award recipient is COL (Ret) David Berg, Director, Executive Education, Whitman School of Management, Syracuse University. COL (Ret) Berg significantly contributed to the education, training and career development of Department of Defense financial management professionals by providing the educational skills necessary for developing a generation of financial managers to assist the Army leadership in making the hard resource decisions needed to transition the Army to a more effective and efficient organization.

OUTSTANDING RESOURCE MANAGEMENT ORGANIZATION AWARD

(Below MACOM) *18th Soldier Support Group, FORSCOM* –The 18th Soldier Support Group (ABN), under the leadership of COL Mark A. McAlister, significantly increased finance support capabilities and service to the Operation Iraqi Freedom Theater of Operations during 2005. The 18th Soldier Support Group (ABN) reconciled and transferred Treasury Account 8551 out of theater, activating two new contingency Treasury Accounts while simultaneously proliferating the automated deployable disbursing system (DDS) throughout the area of operations and laying the foundation to open three U.S. Government Limited Depositary Accounts with the Credit Bank of Iraq.

Organization Members: COL Mark A. McAlister, MAJ Eric G. Iacobucci, CPT Terrence J. Sullivan, CPT Thomas C. Parks, CPT Liliu P. Shabazz, 1LT Bola M. Boasmanboon, MSG Patricia E. Hamilton, SFC Eric O. Holden, SFC Clark L. Stonewall, SSG Phillip R. Anderson, SSG Anthony A. Gates, SSG Andrea F. Goodman, SSG Joseph P. Pecorella, SSG Charlotte M. Wright, SGT Thomas E. Turner, SGT Paul H. Cardona, SPC Andrew N. Chebuhar, SPC Kevin D. Cooley, SPC Kalithia C. Ingraham, SPC Earl V. Jones, SPC Marjie Miller, SPC Anthony Teresi, SPC Miguel A. Miranda, SPC Thomas J. Valdez, SPC Eric Williams

(Below MACOM) *The United States Army Southern European Task Force (Airborne) Comptroller Office, USAREUR* – The SETAF Comptroller Office completed the 173d Airborne Brigade's refitting, reconstitution and retraining for approximately $13 million less than initial estimates along with managing funds in support of the SETAF and 173d Airborne Brigade deployments to Afghanistan in support of Operation Enduring Freedom (OEF).

Organization Members: LTC Jeffery D. Ford, LTC Jeffery C. Powell, Ms. Nuccia Cazzola, Ms. Rosa Ballarin, Ms. Marta Cinello, Mr. Olwyn Robertson, Mr. Stefano Deganello

OUTSTANDING RESOURCE MANAGEMENT TEAM AWARD

(Below MACOM) *The CJTF-76 CJ8, USAREUR* – The CJTF-76 CJ8 developed the "Database Accounting Support System" which recouped $7 million in obligation adjustments that re-validated requirements and eliminated a backlog of 817 commitments over 60 days old which were valued at $16.8 million. Further, they developed new internal controls for the Commander's Emergency Response Program that allowed the command to successfully execute over $88.9 million.

Team Leader: LTC Jeffery D. Ford,

Team Members: LTC Jeffery C. Powell, MAJ Clyde A. Dopheide, CPT Micheal C. Rodocker, CPT Kevin L. Smith, SFC Edward Chisolm IIII, SMSgt Stephen Gregory, MSgt Timothy Ault, Msgt Sterling Williams, LTC John Coulihan, MAJ Terri Jones, SSG Hunthia Hall, SSG Desrick Rhooms, SGT Enrique Marchand, SPC Keisha Smith, PFC Darryl Motley, Ssgt James Manson, LTC Mark Peterson

(Below MACOM) JHQ – M8 (Comptroller) Advisory Support Team to the Iraqi Ministry of Defense (MOD), FORSCOM

– The M8 Advisory Support Team helped guide the Ministry of Defense Director General (DG) Program and Budget (civilian comptroller) along with the M8 (military comptroller) to assume responsibility and effectively administer the FY05 defense budget of over $1.4 billion by ensuring financial systems were put in place.

Team Leader: MAJ Roy G. Hoffman

Team Members: MAJ Mathew R. Dooley, MAJ Randy Pedretti, Mr. Alex Passa

CIVILIAN INDIVIDUAL AWARDS

Accounting and Finance

(Above MACOM) *Ms. Angela Tarvin, FORSCOM* – Ms. Tarvin is recognized for her expertise with various financial systems used by FORSCOM. Her financial systems expertise is apparent in her many accomplishments ranging from, but not limited to, devising a more efficient method to process the dbCAS Split and User files, participating in the STANFINS Database Consolidations, and also improving the processing of F09 files from the Installation Supply Buffer.

(Below MACOM) *MS. Sherrie Twigg, TRADOC* – MS. Twigg led the fielding of DTS at Fort Leonard Wood, which she accomplished by mid-FY 2005. She also conducted several Joint Reviews which harvested over $1.3 million in prior year funds.

Analysis and Evaluation

(Above MACOM) *Ms. Lorraine Jones, TRADOC* – Ms. Jones developed procedures and guidance for TRADOC components to obtain the most cost effective support contracts to accomplish their missions. The new highly competitive procedures resulted in decisions to convert five functions to in-house performance, with projected savings of more than $4.9 million over the next five years.

(Below MACOM) *Mr. Dominic D'Orazlo, AMC* – Mr. D'Orazlo has been a top contributor to the Internal Review and Audit Compliance (IRAC) Office functions. He has successfully performed numerous reviews, as well as, assisted the criminal Investigation Division (CID) in two criminal cases.

Auditing

(Above MACOM) *Mr. James Andrews, AAA* – Mr. Andrews made significant contributions to the audit of the Logistics Civil Augmentation Program (LOGCAP) operations in Support of Operation Iraqi Freedom. He led a team of 12 auditors into Iraq and Kuwait to meet with Combatant Commanders to keep them apprised of audit status and help manage LOGCAP operations. The audit is currently being used by the highest levels of Army management.

Budgeting

(Above MACOM) *Mr. Dennis Parrett, FORSCOM* – Mr. Parrett volunteered to relook the FORSCOM funds management process. He and his hand picked team formed a new budget division called Mission Operations which successfully implemented the new Major Command budget process.

(Below MACOM) *Mr. James Toohey, USACE* –Mr. Toohey developed a series of unique financial initiatives that encompassed the entire Mississippi Valley Region during FY05. His successes include serving as the division representative on a HQ USACE PDT which developed the procedures for reducing overhead rates by 10%, compiling regional budgets and providing recommendations for overhead rates for seven distinct field operating agencies.

Comptroller/Deputy Comptroller

(Above MACOM) *Ms. Vicky Jefferis, FORSCOM* – Ms. Jefferis successfully led FORSCOM efforts to deploy and redeploy over 200,000 soldiers and 3/4M short tons of equipment to Iraq, Kosovo, Afghanistan, Cuba, the Horn of Africa, and hurricane

ravaged areas in the United States. Her involvement with FORSCOM fiscal efforts ranged from serving as the NSPS command representative, to directing staff efforts to reduce costs by $6 billion over initial estimates for both OCONUS and CONUS activities. Her agile leadership and vision helped guide FORSCOM financial operations to perform at superior levels of efficiency and effectiveness during FY05.

(Below MACOM) *Mr. William Matthews, AMC* – Mr. Matthew's dedication to excellence, coupled with his personal involvement with fiscal year 2005 execution, resulted in the command exceeding all higher headquarters obligation and execution goals. He meticulously defended all budget submissions at higher headquarters, obtaining millions for the U.S. Army Aviation and Missile Life Cycle Management Command.

Cost Analysis

(Above MACOM) *Mr. Edwin Stead, ASC* – Mr. Stead implemented standard cost and schedule analysis processes across various PEO STRI Project Manager Offices reducing cost overruns by 6.8% and returning $6 million in funds to the Army. Furthermore, he improved and refined a software analysis tool to provide considerably more insightful contract cost and schedule status from which to manage PEO STRI's resources.

(Below MACOM) *Mr. Joseph Golebieski, AMC* – Mr. Golebieski took the initiative, compiling guidelines for Life Cycle Cost Estimates and Program Office Estimates into a single, user friendly document. The estimates are a key element in Milestone Decision reviews, Budget Projections and Reporting to Higher Headquarters and Congress. Ultimately, Mr. Golebieski's efforts resulted in putting C4ISR Weapon Systems in the hands of multi-service DoD Warfighters.

Cost Saving Initiatives

(Above MACOM) *Ms. Crissy Neal, USACE* – Ms. Neal orchestrated priority manpower management functions for the USACE Mississippi Valley Division (MVD) and its six districts enabling the

MVD to excel and reach their priority goals and objectives. She staunchly led the development of an integrated manpower review system for review of trends/projections which enhanced senior leaders' decisions. Her efforts resulted in efficient operations, excellent use of scarce resources and cost savings for the greatest return on investments.

(Below MACOM) *Ms. Audrey Moss, FORSCOM* – Ms. Moss was able to provide solutions to internal control weaknesses in the Defense Logistics Agency Call-In Program enabling more than $480 million in cost avoidance. Her superior efforts as a member of the Army Working Capital Fund team resulted in recouping millions of dollars in duplicate, incorrect, or aged stock fund requisitions. Her ability to research, analyze, and articulate solutions enabled the re-allocation of millions of dollars to immediate high-priority requirements in Iraq and Afghanistan.

Education, Training, and Career Development

(Below MACOM) *Mr. Marvin Ormerod, USACE* – Mr. Ormerod has served over 15 years as a Corps of Engineer Instructor teaching a full spectrum of classes ranging from fiscal law, budget development, execution and analysis, and contracting classes. He is considered a capable educator in the field of resource management and budget.

Resource Management

(Above MACOM) *Mr. Gary Marlar, MACOM* – Mr. Marlar's focus allowed USAREUR to meet all of its Global War on Terrorism requirements as well as the US NATO commitments and continued operations in the Balkans during significant fiscal challenges. In addition, he led his organization to identify not only $25 million in contract costs that could be deferred until FY06 but also $80 million in GWOT costs that could be re-applied to other requirements. Mr. Marlar is also the recipient of the ASA(FM&C) Civilian Capstone Award.

(Below MACOM) *Ms. Tami Garrett, USACE* – Ms. Garrett implemented a radically new corporate one standard regional rate for customers across the entire Corps of Engineers, consisting of 43 districts and nine major support commands/regions bringing better value to customers globally which will have a profound affect on the Corps and customers for years to come.

MILITARY INDIVIDUAL AWARDS

Accounting and Finance

(Above MACOM) *MAJ Thomas Drakeford, USASOC* – MAJ Drakeford worked aggressively and expeditiously with multiple DoD agencies and commands to implement, and ensure compliance with, finance and accounting policies, and to monitor and provide critical information for resolution of personnel and travel pay issues for USASOC military personnel during a highly volatile time of war. His tireless efforts ensured that USASOC soldiers and families received the utmost professional service in a timely manner.

(Below MACOM) *SSG Ronald Russell, FORSCOM* – SSG Russell assisted the Office of the Assistant Chief of Staff Comptroller (J8) Multi-National Security Transition Command – Iraq in the programming and execution of $3.2 billion and 41.8 billion respectively in FY04/FY05 Iraqi Relief and Reconstruction Funds and over $1 billion in Development Funds for Iraq. He also provided insight and direction in programming, receiving, and accounting for nearly $5.4 billon provided in the FY05 Emergency Supplemental Appropriations Act for Defense.

Budgeting

(Above MACOM) *LTC Michael Kennelly, HQDA* – LTC Kennelly prepared a detailed database to support the Army's FY05 $13 billion supplemental funding request for critical equipment for the Army

Modular Force, Force Protection, Reset, Prepositioned Stocks and Communications equipment helping the Army to successfully defend its request to OSD, OMB and Congress. He developed and maintained detailed tracking methodologies for Force Protection and Next Deployer reprogramming totaling over $1.8 billion.

(Below MACOM) *MAJ Kevin Keipp, FORSCOM* – MAJ Keipp's leadership in the highly-visible, multi-billion dollar Logistical Civil Augmentation Program (LOGCAP) was critical to the Coalition Forces Land Component Command mission of resourcing deployment, sustainment, and redeployment of United States and Coalition Forces. He achieved consensus among disparate staffs, commands, and agencies enabling the re-allocation of over $100 million in appropriated funds to immediate high-priority requirements.

Comptroller/Deputy Comptroller

(Below MACOM) *COL Thomas Horlander, USAREUR* – COL Horlander combined hard work, innovation, and extreme dedication to ensure the V Corps and its subordinate units received the resources necessary to successfully accomplish the Global War on Terrorism mission during FY05. COL Horlander is also the recipient of the ASA (FM&C) Military Capstone Award.

Education, Training, and Career Development

(Below MACOM) *LTC Rick Diggs, AETC* – LTC Diggs created the new Defense Financial Management Course, a rigorous four week course that transformed financial management education. He was selected as the Maxwell Air Force Base '05 College of Professional Development's Educator of the Year. His student critiques consistently rated him the #1 faculty member.

Resource Management

(Below MACOM) *LTG Russel Honorè, FORSCOM* – LTG Honorè challenged First US Army's staff and subordinate units to use innovation and creativity to increase

quality while avoiding costs. As a result, his command implemented significant cost avoidance measures that have saved over $4.5 million in taxpayers' dollars while at the same time meeting training and mobilization goals.

(Below MACOM) *SSG Bercy Roberson, USASOC* – SSG Roberson obligated over $23 million in 25 separate and distinct budget programs that spanned two theaters and three areas of operation in support of the Global War on Terrorism. She identified over $450,000 of funds during year-end closeout, enabling the purchase of critical equipment. She also tracked and closed out 186 Operation funds worth $7 million in support of Operation Enduring Freedom with 100% accuracy. SSG Roberson worked with the I Corps G8 to expedite travel settlements and ultimately reduce Bank of America Travel Charge Card delinquent accounts by 2%.

OUTSTANDING INTERN AWARD

(Above MACOM) *Ms. Joan Trame, AAA* – Ms. Trame worked at a level above her grade on two complex audits of commercial satellite communications and wireless network connectivity. Her efforts helped her team identify $48 million in potential monetary benefits for commercial satellite airtime and to develop and refine a seamless methodology that minimizes the use of audit resources in auditing wireless local area networks. Her mastery of complex and technical subject matters and ability to provide insightful results will help the Army manage these two programs more efficiently in the future.

(Below MACOM) *Ms. Terri Lewis, USACE* – Ms. Lewis took the initiative to streamline numerous overlapping tasks, which eliminated redundant actions and reduced costs. In addition, she served on the Emergency Management Team during both Hurricane Katrina and Hurricane Rita and enhanced the overall performance of her district and the USACE.

RESOURCE MANAGEMENT AUTHOR OF THE YEAR AWARD

(Civilian) *Ms. U-Nan Yi, IMA*– Ms. Yi authored an outstanding creative and logical article that provided an insightful view on why resource managers should look at the Army Suggestion Program as a way to enhance quality, drive performance, and achieve economical operations. In a thought provoking manner, Ms. Yi explains how the Army Suggestion Program ties crucial resources to performance, productivity, and the budget.

(Military) *LTC Michael Simonelli, FORSCOM* – LTC Simonelli is one of the most prolific and thought-provoking writers in the Army resource management community today. In FY05, he wrote two articles for Resource Management, "Comptrollership for the Afghanistan National Army" and "The Army Travel Card: Time for A Change", a newspaper article for USAA (a Fortune 300 Company) "The Way I See It", and has written a book "Riding a Donkey Backwards: How I spent $400 Million Taxpayers Dollars". LTC Simonelli's comprehensible writings have greatly contributed to the art and science of resource management.

This year's awards will be presented at "Army Day" on May 31, 2006 in San Diego, California as part of the American Society of Military Comptrollers' Professional Development Institute. The FY 2006 award program will be formally announced in July 2006 with nominations due to the Comptroller Proponency Office in late October 2006. We look forward to many more nominations. Again congratulations to this year's winners and to all who were nominated. Great job!!!

About the Authors:

MAJ Janice P. Tutt is a Program/Budget Officer in the Comptroller Proponency Office, Office of the Assistant Secretary of the Army for Financial Management and Comptroller.

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Ethically Speaking

By Matt Reres

The 9th Principle of the 14 General Principles that apply to those of us who serve in the Executive Branch, provides:

"Employees shall protect and conserve Federal Property and shall not use it for other than authorized activities."
5 Code of Federal Regulations (C.F.R.) 2635.101(b)

The following is an outline on the proper use of federal property and resources. Should you have a specific question with respect to whether federal property may be used for a particular purpose, you should ask your ethics counselor to protect yourself from an ethics misadventure.

1. Purpose. To summarize the restrictions on use of government resources.

2. References.

    a. 31 U.S.C. § 1301; 1344;

    b. 5 C.F.R. § 2635.704;

    c. DoD 5500.7-R, Joint Ethics Regulation § 2-300b;

3. Summary.

    a. General Rule. Employees must protect and conserve government property and use it (or allow its use) only for authorized purposes.

    b. Communications systems. Federal communications; equipment including governmental owned telephones, facsimile machines, electronic mail, Internet systems, and Personal Digital Assistants (PDA) i.e. blackberries, are available only for official use and authorized purposes.

        (1) "Official use" includes emergency communications, communications that are necessary in the interest of the government; and "morale and welfare" communications by DoD personnel on extended deployments.

        (2) "Authorized purposes" include brief calls home while TDY to notify family of official transportation or schedule changes.

        (3) Personal communications from the workplace are also authorized, if supervisor determines that communication (a) presents no adverse affect on official duty performance; (b) is of reasonable duration and frequency and made during personal time whenever possible; (c) serves a legitimate public interest; (d) presents no adverse reflection on DoD; and (e) creates no overburden of the communication system or creates no significant additional cost to DoD.

c. Vehicles. Government vehicles may be used for official purposes only.

d. Use of other governmental resources. Government resources (other than personnel, communications equipment, and vehicles) may be authorized for personal use if supervisor determines that the use creates no adverse affect on official duty performance; is of reasonable duration and frequency and occurs only during the employee's personal time; serves a legitimate public purpose; creates no adverse reflection on DoD; and creates no significant additional cost to DoD.

e. Support to non-federal entities. Commanders may authorize limited use of DoD facilities and equipment (and DoD services necessary to properly use the equipment) in support of an event sponsored by a non-federal entity (except for fundraising and membership drives) only if:

    (1) Support creates no interference with official duty performance or detraction from readiness;

    (2) Support serves DoD community relations, public affairs or military training interest;

    (3) It is appropriate to associate DoD with the event;

    (4) The event is of interest and benefit to the local civilian community or DoD;

    (5) The command is able and willing to provide the same support to comparable events sponsored by other similar non-federal entities;

    (6) No restriction by other statutes or regulations of such use;

    (7) No admission fee (beyond that required to cover reasonable sponsorship costs) is charged for the event.

About the Author:

Matt Reres is the Deputy General Counsel (Ethics & Fiscal) in the Army's Office of the General Counsel.

Army Comptrollership Program
Class 2005 Graduation0

*A*rmy Comptrollership Program Class 2005 graduated from Syracuse University on 5 August 2005. The class was composed of 27 students: 12 active duty military, three active Reserve officers, 11 Army civilians and one US Air Force civilian. They completed 60 graduate credit hours in 14 months and were awarded both an MBA from the Whitman School of Management and a MA in Public Administration from the Maxwell School of Citizenship and Public Affairs. They achieved an average Grade Point Average of 3.6; were awarded the Chancellor Award for Public Service; most passed the Certified Defense Financial Managers Exam and completed Six Sigma Champion Training. Mr. Nelson Ford, Principal Deputy for Controls to the Assistant Secretary of the Army (Financial Management and Comptroller) was the graduation speaker.

COL (Ret) Al Runnels (ACP Class 1983) was selected as the 10th recipient of the McCall Award. This award was established in honor of Lieutenant General (Ret) James F. McCall - former Comptroller of the Army and a graduate of the program (ACP Class 1970). This honor recognizes an alumnus of the Army Comptrollership Program because of their significant contributions to the resource management profession. Al Runnels is assigned as the Deputy Director, Military and Civilian Pay Services, Defense Finance and Accounting Service.

Mr. Stephen Barth (ACP Class 1995) was selected as the 21st recipient of the Keenan Award. This award was established in memory of Leonard F. Keenan, former Deputy Comptroller of the Army and a graduate of this program (ACP Class 1967). This honor recognizes an alumnus of ACP and is an acknowledgment of the emphasis Larry Keenan placed on ensuring that advanced education opportunities were made available to the civilian members of

the Army's Comptroller Career Field. Mr. Barth is the Chief - Installation, Civilian & Military Costing Division at the Office of the Assistant Secretary of the Army (Financial Management & Comptroller).

Nine members of the class were initiated into the Nation Business Honor Society - Beta Gamma Sigma: Erin Connolly, Teresa Fiegl, MAJ Gary Green, Andrea Harris, MAJ Harold Moxley, Andrea Powers, LTC John Styer, CPT Matthew Tatman and MAJ William Thornhill. CPT Kathleen Neumann received the Laychek / Rasmussen Award for Selflessness and Spirit. This award is voted on by the class and is named in honor of David Laychek & Rhonda Rasmussen -ACP Class 1992- who were killed in the Pentagon on 9/11 while working in the Army's Operating Agency 22.

2005 Lieutenant General James F. McCall Award Recipient

Acceptance Speech

by Colonel (Ret) Al Runnels

Mr. Ford; Associate Vice Chancellor Flusche; Dean Shukla; Dean Straussman; Colonel Berg; Mr. Barth; Distinguished Faculty; ACP 2005 Graduates and your family members and friends.

It really is terrific to be back on campus here at Syracuse and I am deeply honored to receive the 2005 McCall Award for Distinguished Service. I accept it on behalf of all of the dedicated military and civilian members of the DoD resource management community with whom I've had the honor to work with over the years.

I've always had great respect for General McCall and was sad to see him retire this year as the Executive Director of the American Society of Military Comptrollers. When I think of the words leader, professional, teacher, and gentleman, General James F. McCall comes to mind. He has been a special role model for so many of us in the resource management field for the past 30 years.

Well, I can't believe it's been 22 years since I was sitting where you are, waiting for a few old guys to finish their speeches so we could all graduate and head out to our next assignments. I hope you enjoyed the program as much as I did. In addition to the studies, or maybe to escape from the studies, I enjoyed watching the Orangemen play football and basketball in the Carrier Dome, although the football team was only 2 and 9 that year. It was great seeing Coach Boeheim and the team win the 2003 National Championship. With a son and a daughter that graduated from Virginia Tech,

the growing rivalry between the Cuse and the Hokies has been a lot of fun.

From talking with many of you last night, I know the ACP program has increased in intensity, with 60 credit hours in requirements and two graduate degrees. I'm sure the peer pressure to excel is always there. For my class, the competition was healthy and constructive and the shared experiences in meeting the program requirements resulted in many of us becoming friends for life.

In developing my remarks for today, I spent a few minutes thinking about the most important things I learned here at Syracuse and how they served me well. I'll just quickly mention a few areas that have resonated with me throughout my career.

First, and yes I know it sounds like a cliché, but what I learned from the teamwork and commitment that my class members developed, as we worked to accomplish team projects and requirements has been especially invaluable to me. As I think about the major challenges of my career, I met most of them through the dedication and support of a team that was committed to getting the job done to the best of our abilities. Nowhere was this more evident to me than the challenging work the Coalition Provisional Authority did in leading the Iraqi people toward reconstructing their economy and their country. Most of the resource management work you will do, that will make the most difference to the Army, will be accomplished through some type of team effort. I encourage you to ensure that the dedication,

care, and enthusiasm that you devote to that effort, sets the right example for your team members.

The critical thinking and problem solving skills that the program instills in its graduates has also served me well. From my review of your bios, clearly you have confronted complex and dangerous situations and requirements thus far in your careers. While some of the tasks you deal with in the future will seem insurmountable, based on the often short-fused timeframes you'll be given to accomplish them, you will be able to draw upon the skills you learned here and the rich experiences you gained working with each other in meeting those requirements.

Lastly, always remember that "what doesn't kill you makes you stronger." For me, whether it was having to develop an estimate, for use by the President the next day, of the projected cost of our Bosnia deployment; or withstanding rocket attacks while helping to properly plan, program, and execute billions of dollars of US and Iraqi funds; or completing airborne school at 45 years old and jumping out of perfectly good airplanes while in command at Fort Bragg; or surviving Dr. Johnson's econ and Doctor Onsi's accounting courses; I figure you just have to keep stepping up to the plate and taking your swings.

The Department's resource management challenges are greater than ever, as we try to meet the demands of the Global War on Terrorism and take care of our troops and their families. I commend each of you for the hard work you've done here and I know that as you move out to perform the important duties that await you, you will do it with all of the passion, integrity, and excellence that the Syracuse ACP program inspires in each of us.

Congratulations and good luck to you all. Thank you!

2005 Leonard F. Keenan Award Recipient

Acceptance Speech

by Mr. Stephen Barth

Mr. Ford, Distinguished Deans and Faculty of Syracuse, Colonel Berg, 2005 Graduates, Family and Friends:

It is a great pleasure to be back here at Syracuse University participating in an ACP graduation at Hendricks Chapel. Most of all it is a great honor to have been selected to receive the Leonard F. Keenan Award. I can not fully express my gratitude.

Ten years ago when I sat in one of your seats, I would not have expected be up here receiving this award. We were one of the last classes under BG (Ret) Cory Wright, we were fully integrated with the Non-ACP MBA student body, we finished the program with an MBA and we never stepped foot in the Maxwell School. It was an outstanding program then, but it's encouraging to see progress and continuous improvement.

Today you graduate with both a MBA and a MAPA from the Army Comptrollership Program and you're finishing up in a brand new, technologically advanced, not yet finished building. Soon it will be the Defense Comptrollership Program and open to a much broader, more diverse community. The change has been good and progress should continue.

Over the last ten years, I have had many opportunities to return to Syracuse. I often come to speak at the Army Comptroller Course and the Professional Resource Management Course. I also had the wonderful privilege of attending the National Security Management Course at the Maxwell School in 2002. With the MBA & MAPA programs combined, I personally can not think of a better 14 month program in all of the Department of Defense.

I know that the 14 months I spent at Syracuse was the most rewarding and memorable assignment that my family and I have had in my 17 years with the Department of Defense.

What I learned over those 14 months from the graduate program and from my classmates has shaped and directed my career to this point. My focus as a resource manager and more specifically a Cost Analyst, has been centered on managing cost and performance to ensure we, the Army, are using our resources in the most efficient and effective manner possible. We are accountable to those we serve. And like Mr. Keenan, we need to be men and women of integrity, committed to those who serve and those who are currently risking their lives around the globe.

As you go forward to assignments across the world at Installations, MACOMs or Headquarters, remember who it is that we all work for - we truly are an "Army of One" and the Soldier is the one to whom we are responsible. It is the Soldier, who is willing to risk his life at a moments notice for us, our families and this great nation. Our job as resource managers is to ensure that resources are used in the most efficient and effective manner so that our Soldiers are properly equipped, trained and sustained and their families are taken care of as first class citizens, not as an afterthought. Though we will always be held responsible to serve the organizations where we work and to meet their individual goals and objectives, it should never become our primary purpose at the greater expense of the Soldier.

You have been selected into the ACP program to be the future resource management leaders of the Army. You will be called to continue the traditions established by individuals like Leonard Keenan, you will be the ones training and developing future resource managers. And like those before us, I am sure you will exceed all expectations and this Army will continue to succeed and excel in all its endeavors.

Congratulations and best wishes in your future assignments. Take what you've learned from this opportunity and use it. Your services are greatly needed in the resource management community and you will be greatly appreciated.

Again, Thank you and I am humbled by this award.

Commencement Speech

By Mr. Nelson M. Ford, Principal Deputy for Controls to the Assistant Secretary of the Army (Financial Management and Comptroller)

Good morning and thank you for inviting me to address this, the 53rd graduating class of the Army Comptrollership Program. While I am here to deliver congratulations from the Office of the Assistant Secretary for Financial Management and Comptroller and Ms. Baldwin, I am also here, as one of the newest members of the Army's senior management team, to learn about what you do and how your efforts support the incredibly important work being done by the Army, at home and around the world. I enjoyed being with you last night and look forward to working with you in the coming months and years.

It has been an intense 14 months. I know from personal experience that going back to school at mid-career can be both exhilarating and exhausting. It is hard to leave the rhythm of the workplace and dust off your test-taking skills. But you and your families have survived and I hope that you leave the Syracuse campus today feeling intellectually refreshed and ready for the new challenges that await you at your installations, agencies and Army headquarters.

The world of academia tends to be somewhat cloistered. So, after a year here, you may feel a little disconnected from the Department of the Army. (And, while my remarks focus primarily on Army challenges, Teresa Fiegl and future graduates of the Defense Comptrollership Program will face similar challenges.) During your absence, the key missions haven't changed: Almost everything still boils down to supporting the Global War on Terrorism and facilitating Army transformation. Both of these tasks are quite broad and both would appear largely to be in the domain of the warfighting side of the Army. But, the truth is: the Army's success will be directly proportional to the quality of our financial management.

The reason for stressing the importance of financial management to our future success is, despite everything that is on the Army's plate, it's likely that our baseline budget will merely hold steady in real terms over the next few years. That means creative thinking and careful stewardship of our funding will be essential. Obviously, the Global War on Terrorism will continue to receive appropriate supplemental support, but as that activity winds down, the portion of those resources being used to recapitalize the Army is likely to diminish. Therefore, we are going to have to stretch our resources as we continue to recruit, retain, train, equip and deploy our troops in an effective way. To accomplish the mission, money has to be available at the right time in the right quantity and placed against the right requirement. You and your colleagues make that happen.

The effect of transformation will be equally challenging. You've heard the tag line: "Transformation is going to keep the Army relevant and ready in the 21st century." Well, that's more than a marketing slogan for OSD and Capitol Hill. The recent changes to force structure and the new equipment and weapon systems we've acquired are already paying dividends. Our troops are more effective and lives have been saved. But we've only begun this transformation and the timeline to completion is tight. Units (and their families) have to be moved and restructured, bases closed and expanded, new weapons acquired and deployed.

If the Army misses a single deadline during the next three to five years, the entire transformation blueprint could be disrupted. And, recovery from a missed deadline could be quite difficult.

Our two most likely potential problems are funding shortfalls and slower-than-expected development of new technology: Generally speaking, the Army has very little control over technology and the laws of physics. We do, however, have plenty of control over resources and how they are used.

I want to focus on two issues in particular. The first is comptrollership – something that should be near and dear to your hearts after 14 months here at Syracuse. As I already mentioned, the Army's budget is not likely to grow over the next few years. Therefore, there is no spare cash to waste. With that in mind, I cannot stress enough the importance of reinvigorating the Army's comptroller function. We – and I mean everyone, not just those officially designated as comptrollers -- must ask tough questions about the Army's investments. We must closely monitor financial performance and we absolutely must institute firm

controls. WE all share the same duty: To support the strategic objectives and Title 10 responsibilities of the Army Secretary and Chief of Staff - to man, train and equip an Army. It is up to us to ensure that our precious resources are being used as intended.

The second item to focus on is the "Army Force Generation" (ARFORGEN) model. While you were studying, the Army decided to change how we generate our warfighting force. The ARFORGEN lays out a well-defined rotational pattern for both the active and reserve components. Active-duty units will operate under a three-year cycle, spending one year on reset and basic training, one year on collective training, and one year deployed or available to deploy. Reserve units will follow a six-year cycle, spending three years in reset and basic training, two years in collective training, and one year deployed or available for deployment. With this formula, the Army always will have 20 brigade combat teams available for deployment and another 20 that could be mobilized quickly if needed.

Army leadership firmly believes that the ARFORGEN will greatly increase readiness, and will add predictability and stability to the lives of our Soldiers, their families and those in the private sector who employ our reservists. But it will only fulfill these expectations if it works as designed and the required resources are available. That is going to be our job: building budgets that fully support the ARFORGEN, making sure that funding gets where it needs to be when it needs to be there, uncovering any financial or execution issues before they become systemic problems that hinder the Army. The ARFORGEN must function smoothly – or the Army's ability to fight and win wars will be put in jeopardy.

On the topic of war, I think it is important to note that some of you likely will be deployed to the theater in the next year or two. Financial management in a combat zone is not what it used to be. You may handle hundreds of millions of dollars. They will be stretched across multiple appropriations, contained in several

different titles, and their disbursement certainly will be scrutinized by the Congress, the GAO and various inspectors general. You will have to be experts on fiscal law, appropriations law, and the myriad rules, regulations and standards for use of funds in the AOR. Undoubtedly you will be pushed to your intellectual and physical limits. But, do not forget: Operations Iraqi Freedom and Enduring Freedom cannot succeed without high quality financial management. Your fellow Soldiers will be depending upon you.

I've really only scratched the surface of how intimately financial and resource management is going to be involved in Army transformation and the Global War on Terrorism. Today is not the time for a detailed briefing or extended discussion of these items. I am sure that all of you are anxious to raise a glass of champagne with your families and drive off into the proverbial sunset. But before you go, please remember, resources are the linchpin for everything the Army does and must accomplish over the next decade. You are part of the team responsible for the Army's resources. Without your skills, without your dedication, the Army cannot succeed.

Congratulations again to you and your families and thank you for the opportunity to share this occasion with you. Welcome back. The Army is proud and pleased to have you amongst our ranks once again.

Army Force Generation (ARFORGEN)

By Jim Anderholm

Lieutenant General Jerry Sinn, Military Deputy, captured the Army Day PDI audience's attention by modeling the new Army Combat Uniform and demonstrating the attributes of the new uniform and its improved design over the Battle Dress and Desert Combat Uniforms. From this opening, LTG Sinn smoothly segued into his talk on how important it is for Army resource managers to fully understand the Army's near term operation and reorganization requirements.

To bring the audience up to date on the resource environment, LTG Sinn launched into a strategic level assessment of the Fiscal Years 2005, 2006, and 2007 Army budgets. He touched on how vital it was that Congress passed a Fiscal Year 2005 supplemental appropriation in May to cover the rest of the fiscal year's operations. For Fiscal Year 2006, LTG Sinn highlighted the work the Army's leadership is doing with the Administration and Congress to ensure quick enactment of the 2006 Defense Appropriations bill, which will include a bridging supplemental appropriation to cover contingency operation costs associated with the Global War on Terrorism. For Fiscal Year 2007, the Army budget request will include funding for modular restructuring (previously resourced by supplemental appropriations), Base Realignment and Closure demands, Integrated Global Presence and Basing Strategy costs, and Quadrennial Defense Review requirements. LTG Sinn also raised the potential need for a supplemental appropriation for Fiscal Year 2007. However, given the fluid state of world events, he did not speculate on the size or scope of this funding requirement as it is too far in the future.
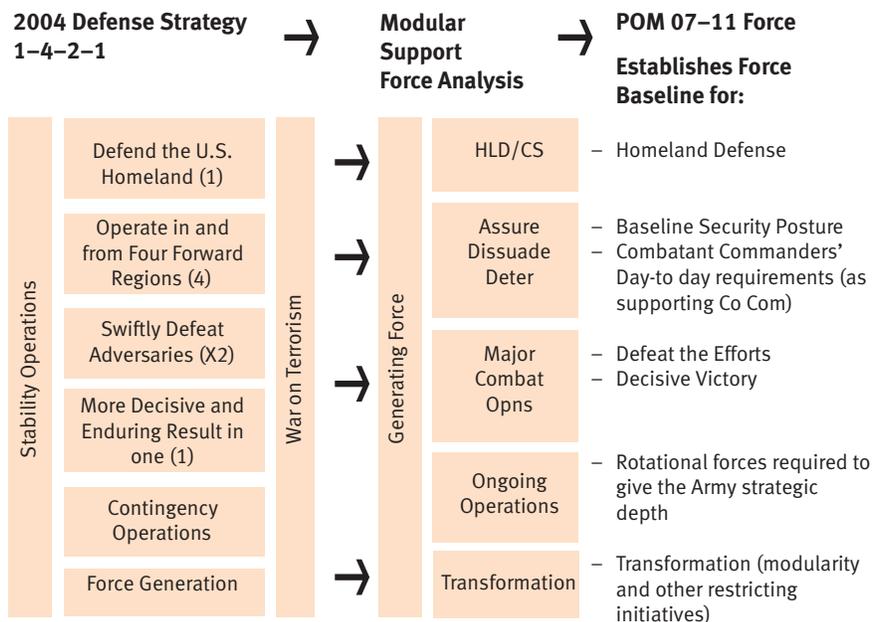
To introduce the audience to the Army Force Generation (ARFORGEN) concept, LTG Sinn presented a "pop-quiz" to the audience. Noting that the Secretary of the Army Francis Harvey had spoken earlier in the morning about the Army's transformation effort to a brigade centered modular force, LTG Sinn took the audience through a series of questions. He solicited audience answers and comments, and provided commentary on the tremendous resourcing challenges facing the Army as it adopts this new concept of generating ready combat power. After finishing the quiz, LTG Sinn provided a more detailed explanation of the ARFORGEN concept by guiding the audience through several briefing slides to clarify its underlying concepts.

To illustrate the strategic requirements of ARFORGEN, LTG Sinn began with the following diagram.

To meet the broadly labeled National Military Strategy mission areas of

Aligning Structure to Strategy

2004 Defense Strategy 1–4–2–1			Modular Support Force Analysis	POM 07–11 Force Establishes Force Baseline for:
Stability Operations	Defend the U.S. Homeland (1)	Generating Force	HLD/CS	– Homeland Defense
	Operate in and from Four Forward Regions (4)		Assure Dissuade Deter	– Baseline Security Posture – Combatant Commanders' Day-to day requirements (as supporting Co Com)
	Swiftly Defeat Adversaries (X2)		Major Combat Opns	– Defeat the Efforts – Decisive Victory
	More Decisive and Enduring Result in one (1)			
	Contingency Operations		Ongoing Operations	– Rotational forces required to give the Army strategic depth
	Force Generation		Transformation	– Transformation (modularity and other restricting initiatives)

(War on Terrorism — center column label)

Homeland Defense, Assure-Dissuade-Deter, Major Combat Operations, Ongoing Operations, and Transformation, LTG Sinn explained that the Army is converting from an 18 division (10 Active and 8 National Guard, with 15 Enhanced Brigades) based force structure to a 77 Brigade Combat Team (BCT) (43 Active and 34 National Guard) based force structure (as depicted in the chart below). This restructuring is designed to improve stability operations, increase the rotational depth, provide scalable and tailorable forces, enhance Reserve Component readiness, and meet evolving Homeland Defense requirements. LTG Sinn summarized the major components of the Army's force structure changes in the diagram below.

Given the need to insure the Army has a constant supply of mission ready BCTs and supporting units available to meet the National Military Strategy, the ARFORGEN model was developed permitting the formation, preparation, deployment, and redeployment of units along predictable timelines as depicted in the chart on the next page.

ARFORGEN, once implemented, will be a structured progression of increased unit readiness resulting in the recurring availability of trained, ready, and cohesive units prepared to deploy in support of regional combatant commanders. ARFORGEN provides more predictable and stable deployment cycles for both Active and Reserve Component units in today's highly demanding strategic environment. The ARFORGEN cycle consists of three phases:

1. RESET/TRAINING. Units in the Reset/Train phase have recently redeployed from long term operations (e.g., Afghanistan); are experiencing significant personnel, equipment, or reorganization turbulence; or are units directed to reset/train (e.g., units that complete their designated time in the AVAILABLE phase).

These units are unable to sustain the READY or AVAILABLE Force capability levels described below.

2. ALERT/DWELL OR READY. BCTs in this phase have been assessed as "Ready" to conduct mission preparation and higher level collective training with other operational headquarters having achieved a set of prerequisite tasks or gates. If necessary, these units are eligible for sourcing against an operational requirement and mobilized, trained, equipped, resourced, and committed, to meet operational surge requirements.

3. AVAILABLE. These units have been assessed as "Available" at designated capability levels to conduct mission execution. They aresourced against an operational requirement (e.g., Iraq) or focused on a contingency requirement. Active Component units are available for immediate deployment while Reserve Component units are available for activation which entails several steps: alert, mobilization, requirement post-mobilization training, validation, and deployment. At the end of their time as an AVAILABLE unit, they return to the Reset/Train Force Pool.

Active Component Brigade Combat teams will follow a three-year cycle. Generally, active component units will spend one year in each phase. Reserve Component units, however, will spend four years in the Reset/Training phase while concurrently being available for Title 32 support missions. Reserve Component units will then spend one year in the Ready phase, and one year in the Available phase before returning to the Reset/Training phase.
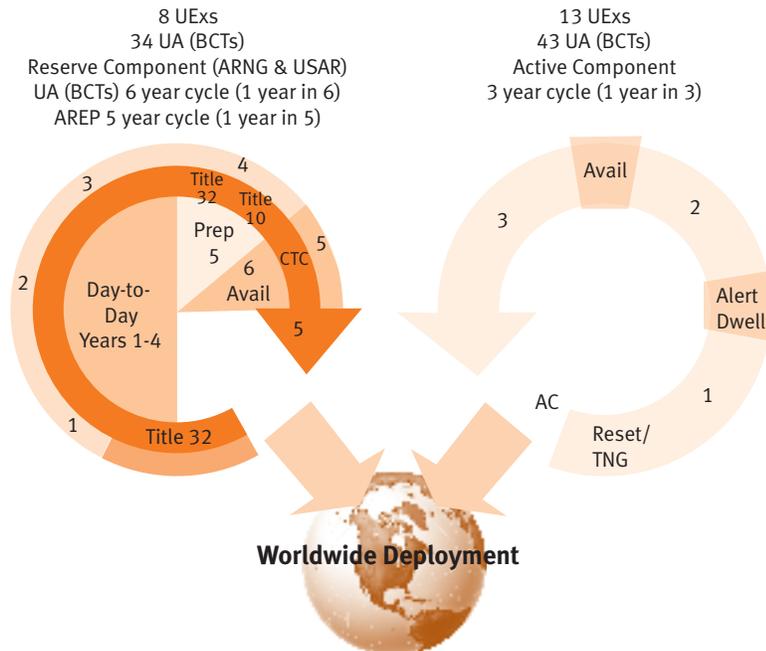
By incorporating this design and time phasing, Army leaders believe they have developed a system that:

- Provides more predictable, stable deployment cycles for soldiers and their families.

SUMMARY • Building Increased Capabilities

Joint & Expeditionary

→

Campaign Quality Units

	FY 2004	Future
AC	**33 Brigade Combat Teams** – 27 Divisional Bdes – 2 Armd Cav Regiments – 2 SBCTs – 2 Separate Bdes	**43 Brigade Combat Teams** – 20 Heavy UAs – 18 Infantry UAs – 5 SBCTs
ARNG	**38 Brigade Combat Teams** – 21 Divisional Bdes – 16 Separate Bdes – 1 Scout Group	**34 Brigade Combat Teams** – 10 Heavy UAs – 23 Infantry UAs – 1 SBCT
USAR	**Theater/Corps** **Support Units** Modular CS/CSS Unit Structure	**10 Expeditionary Packages** – Units of Employment Y – Sustainment UAs – Maneuver Enhancement UAs

Force Generation Model

8 UExs
34 UA (BCTs)
Reserve Component (ARNG & USAR)
UA (BCTs) 6 year cycle (1 year in 6)
AREP 5 year cycle (1 year in 5)

13 UExs
43 UA (BCTs)
Active Component
3 year cycle (1 year in 3)

Title 32

Title 10

Prep

CTC

Day-to-Day Years 1-4

Avail

Title 32

Avail

Alert Dwell

AC

Reset/TNG

Worldwide Deployment

- Provides more predictable, stable deployment cycles
- Manages readiness and availability of forces.
- Maneuver resources based on rotation sequences
- Rotate idle equipment to needed locations to maximize employment and readiness

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- Quickly provides Combatant Commanders agile expeditionary forces with the right mix of capabilities – trained, ready, and relevant to the mission.
- Ensures the availability of adequate Active Component and Reserve Component follow-on forces.
- Manages the readiness and availability of forces.
- Maneuvers resources based on rotation sequences.
- Rotates idle equipment to needed locations to maximize its employment and readiness.

Getting to his main point, LTG Sinn asked, rhetorically, what this all means for resource managers? Simply put, resource managers are going to have to be intimately aware of their activity's mission requirements to support and execute ARFORGEN related functions. Under this concept, resources will not be lock-stepped to a particular organization, but will be tailored to an organization depending on where an organization, in the case of a BCT or other supporting MTOE unit, is in executing the ARFORGEN cycle. Likewise, institutional supporting organizations, e.g., installations, schools, training centers, combat training centers, logistic support and other organizations will have to adapt to the cyclic nature of the system. At

least through FY 10, don't forget we are converting the 77 Brigade Combat Teams to a standardized modular organization along with the dynamic of inserting components of the Future Combat System into the force structure as they come off the production line.

In closing, LTG Sinn encouraged all the resource managers to keep on top of this major and evolving strategic change in the way the Army organizes, trains, equips, sustains, and employs combat forces so that the resource management community, like the combat community it supports, can remain trained, ready, and relevant to do their part supporting the Army's mission.

About the Author:

Jim Anderholm is the Acting Deputy Assistant Secretary of the Army, Resource Analysis and Business Practices (Financial Management and Comptroller)

Note:

Since this article was prepared in June 2005, there have been several strategic decisions made by the Army leadership for the final submission of the 2007 President's Budget request to Congress. The Army is restructuring to form a rotational pool of 70 Brigade Combat Teams - 42 in the Active Component and 28 in the Reserve Component. For further information go to the U.S. Army website (http://www.army.mil/aps/06/01_index. html) for general details discussed in the 2006 Army Posture Statement that was released in February 2006."

Resource Management for National Security in a Nutshell

By John Walsh

A Conceptual Look at Understanding the Department of Defense (DoD) Planning, Programming, Budgeting, and Execution (PPBE) Process - A Linear View of a Non-Linear Process

Admittedly, Department of Defense resource management for national security is a complicated (some might argue convoluted) process. But then you should expect that managing $400B dollar annual budgets for an organization of 2.5 million people globally deployed with a myriad of missions ought to be somewhat of a challenge. The Department of Defense in its major statement of Defense Strategy, the Quadrennial Defense Review (QDR) Report, acknowledged the intricate nature of its Planning, Programming, Budgeting, and Execution (PPBE) process and characterized it as "...self imposed institutional work..."[1]

Notwithstanding this characterization and in spite of it's elaborate nature, the improved Planning, Programming, Budgeting, and Execution process[2] is really not too complex to comprehend when viewed conceptually as a one-dimensional, sequential flow of planning, programming, budgeting and execution phases. That is when viewed as a straight line function of formulating and articulating strategy through planning; translating planning-derived required capabilities into a multi-year program through resource allocation and program integration processes; formulating and extracting a budget from the program by converting the first two program years into budget level detail and appropriation categories; implementing the legislated program authority and budget authority through execution; and continuously assessing program performance and fiscal execution of the performance-based budget and adjusting as

necessary, understanding the PPBE process is a piece of proverbial cake.

One way to get a better grasp of PPBE is to forget (only temporarily to enhance objectivity) every thing you know about the process and think of it as a linear, systematic process with a clearly defined and articulated start point and an equally determinable and logical end. Figure 1, on the following page, is an attempt to display PPBE in such a linear fashion from a Department of the Army perspective (easily transferable to the other Services' and Defense Agencies' perspective by inserting their respective planning, programming, and budgeting elements in lieu of Army's). It attempts to identify in sequence the significant elements of the process beginning with the National Security Strategy (NSS) and ending with an assessment review of program performance and fiscal execution. The sequential display is not intended solely to highlight the step by step order of the subordinate parts of the PPBE process and their function, but, also, to demonstrate the logical connection of those elements to each other and their relationship to the design of the whole process.
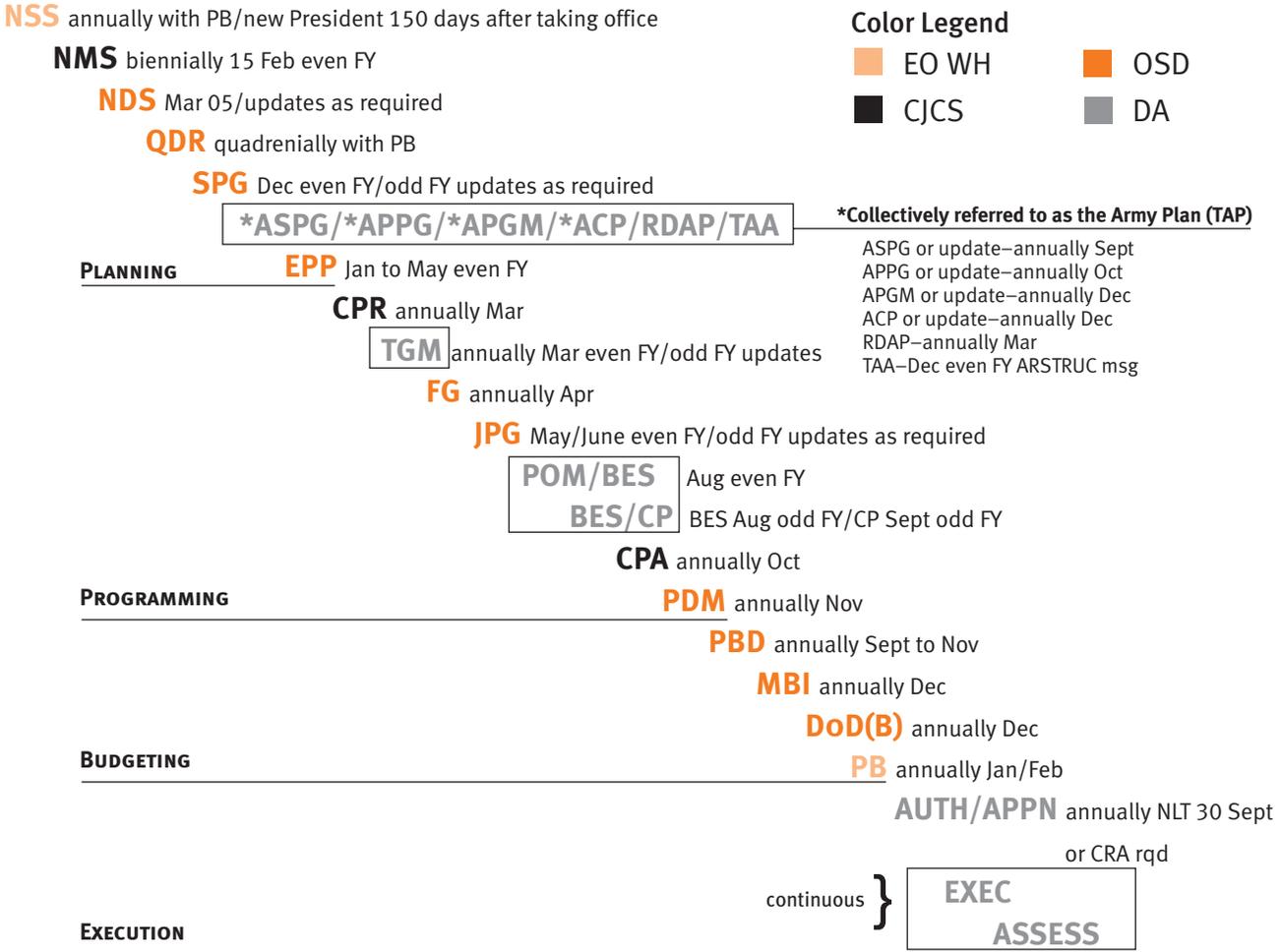
Perhaps the best way to assimilate this construct of the PPBE process is to examine in turn the individual elements of the process by phase – planning, programming, budgeting, and execution. Since planning is a condition precedent for the other phases and since the process is driven by strategy, planning is the logical start point when considering resource management for national security is the National Security Strategy (NSS).

Planning Elements

The National Security Strategy of the United States of America[3] is a broad posture statement establishing the framework for preserving and enhancing the position of the United States within the international community. It delineates the political, social, economic, and military actions the Nation intends to employ to secure its citizens, its territorial integrity, and its status in the international

Figure 1

A Linear Look at the Elements of National Security Resource Management (A Documented Decision Flow)

NSS annually with PB/new President 150 days after taking office

NMS biennially 15 Feb even FY

NDS Mar 05/updates as required

QDR quadrenially with PB

SPG Dec even FY/odd FY updates as required

*ASPG/*APPG/*APGM/*ACP/RDAP/TAA

PLANNING   **EPP** Jan to May even FY

CPR annually Mar

TGM annually Mar even FY/odd FY updates

FG annually Apr

JPG May/June even FY/odd FY updates as required

POM/BES Aug even FY

BES/CP BES Aug odd FY/CP Sept odd FY

CPA annually Oct

PROGRAMMING   **PDM** annually Nov

PBD annually Sept to Nov

MBI annually Dec

DoD(B) annually Dec

BUDGETING   **PB** annually Jan/Feb

AUTH/APPN annually NLT 30 Sept or CRA rqd

continuous } **EXEC ASSESS**

EXECUTION

Color Legend

�	EO WH	▪	OSD
▪	CJCS	▪	DA

*Collectively referred to as the Army Plan (TAP)

ASPG or update–annually Sept
APPG or update–annually Oct
APGM or update–annually Dec
ACP or update–annually Dec
RDAP–annually Mar
TAA–Dec even FY ARSTRUC msg

Note: Dates identified may vary

NSS	National Security Strategy	TAA ARSTRUC Msg—Total Army Analysis Army		PDM	Program Decision Memorandum
NMS	National Military Strategy		Structure Message	PBD	Program Budget Decision
NDS	National Defense Strategy	EPP	Enhanced Planning Process	MBI	Major Budget Issue
QDR	Quadrennial Defense Review	CPR	Chairman's Program	DoD(B)	Department of Defense Budget
SPG	SecDef Strategic Planning Guidance		Recommendation	PB	President's Budget
ASPG	Army Strategic Planning Guidance	TGM	Technical Guidance Memorandum	AUTH	Authorization
APPG	Army Planning Priorities Guidance	FG	Fiscal Guidance	APPN	Appropriation
APGM	Army Programming Guidance	JPG	SecDef Joint Programming Guidance	EXEC	Execution
	Memorandum	POM	Program Objective Memorandum	CRA	Continuing Resolution Authority
ACP	Army Campaign Plan	BES	Budget Estimates Submission	EO WH	Executive Office White House
RDAP	Research Development and	PCP	Program Change Proposal	CJCS	Chairman, Joint Chiefs of Staff
	Acquisition Plan	BCP	Budget Change Proposal	OSD	Office of the Secretary of Defense
		CPA	Chairman's Program Assessment	DA	Department of the Army

community of nations. The proponent for the NSS is the National Security Council within the Executive Office of the President. A National Security Strategy Report is required by law to be submitted by the President along with the annual budget submission.[4]

The National Military Strategy (NMS) of the United States of America is a Chairman of the Joint Chiefs of Staff (CJCS) document providing strategic guidance on the employment of United States military forces in order to achieve the objectives of the National Security Strategy and the National Defense Strategy. By establishing interrelated military objectives and joint operating concepts, the NMS facilitates the determination of required capabilities by the Services and Combatant Commanders and provides a backdrop for CJCS risk assessment.[5] The National Defense Authorization Act for 2004 mandated that a National Military Strategy be published biennially in the even years by February 15th and directed codification of this requirement in 10 U.S.C. Section 153.

The Quadrennial Defense Review (QDR) Report (10 U.S.C. §118) is the Department of Defense major statement of defense strategy and principal strategic planning document. The QDR for 2001 identified the four defense goals of assure allies and friends, dissuade potential adversaries, deter aggression and coercion, and defeat adversaries; provided parameters for managing operational risk, future challenges risk, force management risk, and institutional risk; established the force-sizing construct, referred to as 1-4-2-1, to defend the homeland, deter forward in four critical regions, swiftly defeat aggression in two overlapping major combat operations (MCOs), and preserve for the President the ability to call for a decisive win in one of the overlapping MCOs; and fundamentally refocused the underpinning of defense planning from a threat based analysis to a capabilities based analysis, that is, a focus on how we might be challenged as opposed to an analysis of likely opponents.[6]

The National Defense Strategy (NDS) of the United States of America is a strategy developed to transform the Department of Defense and prepare it to successfully face future challenges. The NDS restates and affirms the major tenets of the 2001 Quadrennial Defense Review (QDR) Report - the defense goals, risk parameters, the force-sizing construct, and the capabilities-based approach to defense strategy and then establishes a significant new construct with regard to the implementation of the defense strategy identified as an active, layered defense. Active defense is described as the United States proactively seizing the strategic initiative and eliminating the most significant direct threats to its security as far forward as possible and before they are fully developed. In consonance with the adage "an ounce of prevention is worth a pound of cure", the strategy announces that prevention is the vital element of its active, layered defense and categorizes preventive actions as security cooperation, forward deterrence, humanitarian assistance, peace operations, and military operations. The strategy provides scenarios where military operations might be the appropriate preventive action in an active, layered defense. Scenario examples justifying military operations comprise precluding the initiation of armed conflict, providing support to a friendly government under attack, reestablishing an overthrown friendly government, neutralizing weapons of mass destruction, or attacking immediate threats to the United States, its allies, or other areas of national interest to the United States. Finally, the strategy identifies two other critical components of the active, layered defense – the involvement and cooperation of international colleagues and the imperative to safeguard the United States, its people, and critical infrastructure from attack.[7]

The Secretary of Defense Strategic Planning Guidance (SPG) is one of two documents, the other being the Secretary of Defense Joint Programming Guidance (JPG), which replaced the Defense Planning Guidance (DPG). The SPG provides guidance and direction to the military departments and defense agencies to assist their planning, programming, and budget estimate development. It also contains programmatic guidance on matters that are of significant interest to the Secretary of Defense. It is the initial guidance for the Enhanced Planning Process (EPP) discussed infra. The EPP, SPG, and JPG are the three elements that comprise the up front Joint Capabilities Development process inserted into the PPBE process for the first time in 2004.[8]

The Army Plan (TAP)[9] is a composite document of four sections. Section I, Army Strategic Planning Guidance (ASPG), is Army's primary planning document and the basis for constructing the Army program and budget. Presenting a thorough analysis of higher level strategy and guidance, ASPG correlates Army programming and budgeting with Defense goals and Army Strategic Imperatives. ASPG specifies Army capabilities required by the joint community, promulgates direction for their prioritization in Section II, Army Planning Priorities Guidance (APPG), and determines where risk is tolerable in light of restricted resources. Additionally, ASPG, by articulating the leadership's vision, promotes synchronized Army planning across the board.

Army Planning Priorities Guidance, Section II of TAP, further develops the ASPG examination of Army Strategic Imperatives and rank orders Army requirements necessary to accomplish those imperatives and to support development and prioritization of specific resource allocation responsibilities specified in the Army Program Guidance Memorandum (APGM).

Army Program Guidance Memorandum, Section III of TAP, contains preliminary direction for building the Army Program Objective Memorandum (POM – the Army's six-year program). In concert with APPG, the APGM converts Army requirements, necessary to meet the joint operational need for Army capabilities and to facilitate accomplishment of Army Strategic Imperatives, to explicit resource allocation assignments. These resource tasks are directed to each of the six Program Evaluation Groups (PEGs). PEGs are

the organizations in the Army's resource management institutional structure that initiate program and budget development. They are identified by United States Code Title 10 functional responsibilities of the Secretary of the Army as the Organizing (OO) PEG, Manning (MM) PEG, Training (TT) PEG, Equipping (EE) PEG, Sustaining (SS) PEG, and Installations (II) PEG.

The Army Campaign Plan (ACP) provides direction to execute current Army missions and to simultaneously transform the Army for anticipated future operations. ACP replaces the Transformation Campaign Plan (TCP) and identifies eight campaign objectives (Support Global Operations, Adapt and Improve Total Army Capabilities, Optimize Reserve Component Contributions, Sustain the Right All-Volunteer Force, Adjust the Global Footprint, Build the Future Force, Adapt the Institutional Army, and Develop a Joint, Interdependent Logistics Structure) that meld Army transformation with contemporary, global Army operations.[10]

The Research Development and Acquisition Plan (RDAP) is a 15-year (the six years of the POM and nine additional years known as the extended planning period or EPP – not to be confused with the enhanced planning process which has the same acronym) plan designed to identify and acquire advanced capabilities for the Army of the future. The RDAP is a 1-n prioritized list of Management Decision Packages (MDEPs) containing funding for Research Development Test and Evaluation (RDT&E) and Procurement across the 15-year planning period.[11] MDEPs, the building blocks of the POM, are stand alone functional packages that track and display total resources for a particular organization, program, or function.

The Total Army Analysis (TAA) is a two-stage process with the first stage identifying the Army's force structure requirements and stage two determining how to resource those structure requirements. In the course of determining requirements and establishing authorizations, TAA defines the force

structure that the Army must develop and support to provide the Combatant Commanders with the best possible mix of forces, equipment, and support to execute their missions. TAA develops the Army's requisite structure of combat, combat support, combat service support, and generating forces. TAA decisions are announced in the Army structure (ARSTRUC) message providing the force structure foundation for the next POM build.[12]

The Enhanced Planning Process (EPP)[13] is an up front process within the PPBE process. Initiated in 2004 during the development of POM/BES 06-11, the EPP fundamentally changed the resource management cycle from a process that made the problematic "trade-off" decisions at the end of the cycle to a process that made those significant decisions at the front end of the cycle. The EPP provides the Secretary of Defense with joint capabilities-based investigations of program options developed to resolve major issues as well as joint appraisals of the implications associated with the selection of a particular program alternative to resolve a major issue. The EPP is conducted through an organizational structure of Issue Teams to perform the analytical work, a Three Star Group in an advisory and supervisory role, an Executive Committee to guide and oversee the process, and a Strategic Planning Council (SPC) chaired by the Secretary of Defense that includes senior leadership within DoD and all nine Combatant Commanders to formulate significant strategic issues, develop strategic planning guidance, assess joint requirements and joint capability resolutions to ensure conformity with strategic direction, and evaluate outcomes in terms of accomplishment of objectives.[14]

Programming Elements

The Chairman's Program Recommendation (CPR) satisfies the Chairman's statutory responsibility to appraise the Secretary of Defense of the combatant commands' required capabilities.[15] The CPR provides the

Chairman's personal programmatic advice to the Secretary of Defense. The CPR provides specific proposals that target joint readiness, advocate joint doctrine and training, and specify required joint war fighting capabilities.[16]

The Technical Guidance Memorandum (TGM) is Army programming guidance issued by the G8 Directorate for Program Analysis and Evaluation (DPAE). It follows and augments Section III of TAP, the Army Programming Guidance Memorandum (APGM), and provides synchronization guidance to the Program Evaluation Groups (PEGs) for program and budget development. The TGM also conveys the Army leadership's explicit direction to each of the six PEGs concerning program precedence and resource allocation for designated programs.[17]

Fiscal Guidance (FG) is provided by the Office of the Secretary of Defense (OSD) prior to completion of the even fiscal year program and budget and odd fiscal year program and budget changes. FG fixes Army's total obligation authority (TOA)[18] across the POM years. Detailed fiscal guidance is provided in even fiscal years and limited fiscal guidance is provided in odd fiscal years.[19] Army's Directorate for Program Analysis and Evaluation distributes Army's TOA to the six Program Evaluation Groups to develop their part of the Army's POM.[20]

The Secretary of Defense Joint Programming Guidance (JPG) is one of two documents, the other being the Secretary of Defense Strategic Planning Guidance (SPG) discussed supra, that replaced the Defense Planning Guidance (DPG). Although a product of planning, the JPG provides direction and outcome metrics for program development within the reality of limited resources in order to implement the NMS and achieve QDR objectives. Even fiscal year planning culminates with publication of JPG in the May/June timeframe by OSD with possible updates or revisions in odd fiscal years. JPG provides the impetus to conclude program and budget development.[21]

POM/BES is the combination of the Program Objective Memorandum (POM) and Budget Estimate Submission (BES). The POM is the principal vehicle utilized by military departments and defense agencies for program submissions. It represents a thorough investigation of responsibilities and goals and contains resource allocation proposals to reach established objectives and complete assigned missions. POM are submitted by services and defense agencies in the even-numbered fiscal years and must be in consonance with the Joint Programming Guidance (JPG).[22] The Army's POM is a six year balanced, integrated, comprehensive, and detailed allocation of resources in response to and in accordance with Department of Defense strategy and guidance. The Army POM is developed and structured along the Title 10 U.S.C. functional responsibilities of the Secretary of the Army to organize, man, train, equip, sustain, and install a United States Army and is the final product of the programming phase of PPBE. The BES is the principal mechanism available for DoD components to submit budget proposals. Representing the first two years of the six year program developed in even fiscal years, the BES is an integral part of the program and reflects the studied allocation of limited resources.[23] Detailed budget estimates are developed and submitted in August of even fiscal years to the Office of the Secretary of Defense along with the POM as a combined POM/BES for review.

Program Change Proposals (PCPs) were initiated with the implementation of a two-year budget cycle in FY 2003 as a tool to address exigent odd year issues and request adjustments to the even year developed baseline program. Restricting PCPs to urgent matters necessarily limited the number of changes to the Future Years Defense Program (FYDP – official DoD database) and deferred most proposed FYDP adjustments to the even fiscal year cycle. OSD required that Program Change Proposals result in a zero sum impact to the baseline program. Therefore, each plus-up PCP had to be accompanied by an appropriate offset or bill payer.[24]

Additionally, and particularly noteworthy, the PCP implementing instructions indicated that bill payers of unaddressed PCPs were subject to retention by OSD to resource different issues.[25] The potential for losing a bill payer could have a chilling affect on the number of PCPs submitted and perhaps was intended to do so.

Budget Change Proposals (BCPs) were also initiated with the implementation of a two-year budget cycle in FY2003. Similar to PCPs, BCPs are a mechanism designed to deal with ineluctable or fact-of-life odd fiscal year budget issues. Submitted in lieu of Budget Estimate Submissions, Budget Change Proposal attend to such matters as "cost increases, schedule delays, workload changes, and changes resulting from congressional action." Save for revolving funds, BCPs, like PCPs, must result in a zero sum impact on the budget year and, therefore, each submission must be accompanied by an appropriate offset or bill payer.[26]

Fact-of Life Changes/BES and Change Proposals (CPs) were instituted in FY 2005. On May 12, 2005, OSD issued the "Procedures and Schedule for the FY 2007-2011 Integrated Program and Budget Review" memorandum modifying the PCP and BCP process established in FY 2003. The 2005 memorandum identifies three methods for changing the PB 06/FYDP 2006-2011 baseline. The in-progress QDR was identified as the first instrument to effect change followed by Fact-of-Life Changes/BES and then Change Proposals (CPs) in that order. The Senior Leader Review Group (SLRG) resolves QDR issues and Program Decision Memoranda (PDMs) announce the outcomes. A Fact-of-Life Notification Memorandum must precede the submission of fact-of-life budget changes to OSD. The notification memorandum serves the two-fold purpose of describing proposed changes and conveying the programmatic and budgetary impacts resulting from implementation. Rejected Fact-of-Life Changes/BES may be recycled as Change Proposals and forwarded to OSD along with the supporting data for approved fact-of-life changes. CPs must

explain why the issue is not suitable for QDR deliberation, why adjudication of the issue cannot be postponed until the next even year resource cycle, and must provide explicit, distinct bill payers that are not only in accord with both SecDef direction and baseline decisions, but also completely compensate for the proffered change.[27]

Chairman's Program Assessment (CPA) encapsulates the professional military judgment of the Chairman, Joint Chiefs of Staff on the ability of United States military posture to achieve the goals of the National Security Strategy. The CJCS provides this individual appraisal to support the SECDEF decision making process after service and agency programs are transmitted to OSD.[28] The CPA addresses POM sufficiency in terms of how well the programs are aligned with Defense Strategy and guidance and how well the programs support the Combatant Commanders in the accomplishment of their assigned missions.[29]

Program Decision Memorandum (PDM) officially records and transmits SECDEF and Deputy SECDEF decisions resulting from the examination of programs developed and submitted by DoD components. Distribution of the PDM to the DoD community, the Joint Staff, and the Office of Management and Budget (OMB)[30] culminates the program phase of PPBE. As the concluding instrument from the program review, the PDM serves as the link between programming and budgeting.[31]

Budgeting Elements

Program Budget Decisions (PBDs) are both budget review tools and decision documents promulgated by analysts of the Office of the Secretary of Defense and the Office of Management and Budget during the joint OSD/OMB review of DoD Component budget estimate submissions. Two budget years are examined in even fiscal years, while a single budget year is assessed in odd fiscal years. The budget review concentrates attention on items of

concern identified by the Administration and evaluates the total DoD budget in the areas of cost, tenability, and feasibility of execution. This comprehensive budget analysis permits the generation and consideration of various resource options displayed in documents referred to as Program Budget Decisions (PBDs). PBDs are mechanisms used to challenge positions proposed by DoD Components in their budget estimate submissions. They present an alternative position, or multiple alternative positions, to the one submitted by the DoD component. The broad scope of PBD coordination is an essential feature of the budget review process and permits all parties with an interest in the outcome to have a voice in the resolution process. In making the decision, the Deputy Secretary of Defense weighs all available information to include the PBD analysis and the input provided by those with a vested interest in the determination. Signed PBDs represent Secretary of Defense determinations as to appropriate programs and funding to be included in the annual Defense Budget request that is forwarded to OMB for incorporation in the President's Budget.

Subsequent to an adverse PBD decision, the affected party(ies) can negotiate resolution of the issue with the OSD Comptroller in what is referred to as an "out-of-court settlement" or request review by the SECDEF as a Major Budget Issue (MBI). Following MBI meetings convened in December, significant issues may be presented to the President in an attempt to secure an increase in DoD budget authority. After final decisions, the DOD Comptroller incorporates necessary adjustments and finalizes the DoD budget [DoD (B)] for inclusion in the President's Budget (PB).[32] The PB is required by law to be submitted to the Congress between the first Monday in January and the first Monday in February.[33]

Execution Elements

Congressional Authorization legislation supplies the power to create or maintain a federal program or agency and establishes operational guidance and procedures

for the program that must be followed. Congressional Appropriation legislation furnishes the legal authority known as budget authority (BA) required for spending or obligating U.S. Treasury funds. In and of itself, budget authority is not equivalent to currency. It is the power to impose a duty on the United States government to discharge a debt. Subsequent to the DoD Appropriations Bill being signed into law by the President, the U.S. Treasury establishes Treasury Warrants. The warrants contain the actual money associated with the appropriations.

Once program authority and budget authority are provided by law, the next step is to distribute that authority for execution. OMB begins the flow of authority by apportioning budget authority to the Department of Defense. The Office of the Under Secretary of Defense, Comptroller [USD(C)] then provides program authority and distributes budget authority among the various DoD components. The military departments then allocate program and budget authority to their major commands and agencies that further allot, or sub-allocate, to their respective sub-commands, installations and organizations. Army uses funding authorization documents (FADs) as the mechanism to distribute both program and budget authority to the field for execution. During execution, program accomplishments and fiscal execution are continuously assessed and appropriate program and budget adjustments are made accordingly.[34]

Summary and Conclusion

Viewed as a straight line function of planning, programming, budgeting, and execution, the PPBE process is exposed in its most elemental or basic form and most easily understood. Ignoring, for the time being, the complicated details of organizational structures, the multitude of players, the fiscal year timing and overlap of the process phases, and the interrelationships with the Joint Strategic Planning System (JSPS) and the Joint Capabilities Integration and Development System (JCIDS) permits a conceptual

understanding of the PPBE process as a logical, systematic flow from strategy to program to budget to execution. From this perspective, PPBE can be seen as a dynamic, progressive resource management paradigm driven by carefully crafted national security strategy and revitalized by a continuous assessment of program performance and fiscal execution designed to implement that strategy.

As the logical starting point, the strategy or planning phase determines and validates the capabilities required by the Department of Defense to implement both the National Defense Strategy and National Military Strategy and to achieve the objectives of the National Security Strategy. The programming phase provides both the analytical architecture for the generation, evaluation, and comparison of alternative programs and the procedural mechanism for allocating resources and integrating programs to obtain the needed capabilities. Budgeting converts the required capabilities in the first two years of the approved program into the proper format of budget level detail and appropriation categories in order to obtain congressional program and budget authority. Execution implements program authority and expends budget authority to develop mission capable forces. Constant analysis of execution performance in conjunction with an assessment of the global strategic environment provides necessary feedback to make appropriate adjustments within the process. Grasping this conceptual, methodical flow of PPBE in conjunction with a functional understanding of the significant elements in each phase, their relationship to each other, and their relationship to the design of the entire process enhances comprehension of the PPBE process.

Along with this conceptual understanding of PPBE, however, comes the realization that the practice of resource management is part art and part science. And that mastery of the process, as opposed to an understanding, requires the development of considerable skills in each discipline. The art of resource management is manifested by that intangible, yet

essential, characteristic identified as leadership. The disciplined judgment and decision making skills required to allocate and integrate finite resources for national security are individual unique leader traits honed through years of experience. And, to a certain extent, like the special, intrinsic talents that encompass leadership, the art of resource management is not learned, but rather innate. On the other hand the science of resource management, that is the systematic, phased flow and function of the primary elements of the process, can be taught and learned.

Admittedly, there are many details such as the unique internal procedures and organizational structures of the various PPBE participants, both within and outside DoD, that are omitted from this linear view of teaching and learning the Department of Defense PPBE process. However, the "in the weeds" level of process understanding and familiarity with the singular aspects of the process developed by the various players are perhaps best learned in the field on the job. Hopefully, the conceptual understanding of the PPBE process as presented in this linear format can provide the practitioner of the art and science of resource management the foundation and focus that facilitates navigation through the process details. It is also hoped that this PPBE perspective will generate the collateral benefit of knowledgeable, critical thinking about ways to improve this essential process of resource management for national security.

Notes

1 Quadrennial Defense Review Report (QDR), Department of Defense, September 30, 2001, p. 52, http://www.defenselink.mil/pubs/qdr2001.pdf.

2 See DoD News Release No. 353-03 entitled "DoD Moves to Streamline Programming and Budgeting Process" dated May 22, 2003 announcing the improved Planning, Programming, Budgeting, and Execution (PPBE) process.

3 The National Security Strategy of the United States of America, September 2002.

http://www.whitehouse.gov/nsc/nssall.html.

4 50 U.S.C. §404a

5 The National Military Strategy of the United States of America 2004, p.2, I. B. The Role of the National Military Strategy. http://www.defenselink.mil/news/Mar2005/d20050318nms.pdf.

6 Op. Cit., QDR, September 30, 2001.

7 The National Defense Strategy of the United States of America March 2005, http://www.defenselink.mil/news/Mar2005/d20050318nds2.pdf

8 OSD Comptroller iCenter, PPBE - Planning, http:///www.dod.mil/comptroller/icenter/budget/planningphase.htm.

9 For Sections 1-4 of the Army Plan see Army Force Management School (AFMS) Advanced Force Management Course, Lesson #19, Army PPBE and Planning, July 2005 and How the Army Runs (HTAR): A Senior Leader Reference Handbook, 2005-2006 (draft to be published), Chapter 9, Army Planning, Programming, Budgeting, and Execution Process.

10 See SRS Strategic Readiness System Update, Volume 1, Issue 10, May-June 2004, "SRS and the Campaign Plan", p. 3.

11 See DAPR-FDR/SAAL-RI Memorandum Subject: The FY04-18 Research, Development and Acquisition (RDA) Plan, Enclosure 2, dated January 30, 2002 and EE PEG POM Handbook, Volume I, Processes and Procedures, 1st Edition, POM 06-11, Chapter 3, Force Development Investment Information Structure and Functions, p. 3-1.

12 How the Army Runs (HTAR): A Senior Leader Reference Handbook, 2003-2004, pp. 51-58, sections 5-14 through 5-20.

13 See Secretary of Defense Memorandum Subject: Initiation of a Joint Capabilities Development Process, dated October 31, 2003.

14 See Secretary of Defense Memorandum Subject: Enhanced Planning Process Procedures for FY 2006-2011, dated December 9, 2003 and the Joint Defense Capabilities Study briefing to the Senior Leadership Review Group dated October 31, 2003.

15 See 10 U.S.C. §153(a)(4)(A) and 10 U.S.C. §163(b)(2)(C) http://uscode.house.gov

16 Op. Cit., HTAR, section 9-41g, p. 160.

17 Ibid, p. 166, section 9-58c.

18 Total Obligation Authority (TOA) Availability: The sum of (1) all budget authority granted (or requested) from Congress in a given year; (2) amounts authorized to be credited to a specific fund; (3) budget authority transferred from another appropriation, and (4) unobligated balances of budget authority from previous years which remain available for obligation. In practice, this term is used primarily in discussing the Department of Defense budget, and most often refers to TOA as "direct program" which equates to only (1) and (2) above. DoD FMR 7000.14-R Vol. 2A, Chapter 1, Budget Terminology/Definitions, p. 1-8. http://www.defenselink.mil/comptroller/fmr/02a/Chapter01.pdf

19 Op. Cit., OSD Comptroller iCenter, Budget Cycle – PPBE Dateline

20 Op. Cit., HTAR, section 9-58d, p. 166.

21 Op. Cit., OSD Comptroller iCenter, PPBE - Planning

22 Ibid., PPBE - Programming

23 Ibid., PPBE - Budgeting

24 Ibid., PPBE - Programming

25 See Office of the Deputy Secretary of Defense Memorandum, Subject: Procedures and Schedule for Fiscal Year (FY) 2005-2009 Program, Budget, and Execution Review, May 21, 2003.

26 Op. Cit., OSD Comptroller iCenter, PPBE - Budgeting

27 See Office of the Secretary of Defense Memorandum, Subject: Procedures and Schedule for FY 2007-2011 Integrated Program and Budget Review, May 12, 2005.

28 http://www.dau.mil/pubs/glossary/11th%20Glossary%202003.pdf p. B-19

29 See CJCSI 3100.01A, Joint Strategic Planning System, 1 September 1999, p. D-6, para 4.c. and CJCSI 3137.01A, Joint Warfighting (sic) Capabilities Assessment Process, 22 January 1999, p. 3, para 5.c.

30 Located in the Executive Office of the President, OMB's primary responsibility is to supervise the development and implementation of the President's Budget (PB). http://www.whitehouse.gov/omb/organization/role.html

31 Op. Cit., OSD Comptroller iCenter, PPBE - Programming

32 Ibid., PPBE - Budgeting

33 See 31 U.S.C. §1105

34 Op. Cit., OSD Comptroller iCenter, PPBE – Budget Execution. See also Army Force Management School (AFMS) Advanced Force Management Course, Lesson #23, Army PPBE Budgeting and Execution, July 2005 and How the Army Runs (HTAR): A Senior Leader Reference Handbook, 2005-2006 (draft to be published), Chapter 9, "Army Planning, Programming, Budgeting, and Execution Process" and Chapter 10 " Resource Management".

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Defense Comptrollership Program Graduates...A Call to Duty

Pictured left to right are:

Major Matt Tatman-2005–Comptroller, 10 Special Forces Group,
Fort Carson

Lieutenant Colonel John Styer-2005–Comptroller, 101st Air Assault
Division, Fort Campbell

Major Bill Maner-2005–Comptroller, 4th Infantry Division Support
Brigade,Fort Hood

Major Mike Greenberg-2003–Deputy Comptroller, 101st Air Assault
Division,Fort Campbell

Major Bill Koester-2003–Comptroller, 4th Infantry Division,
Fort Hood