Department of the Air Force
Planning, Programming, Budgeting and Execution System
Training Program

REFERENCE MANUAL

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Process descriptions and updates enclosed are current as of March 2023.
This Manual will be updated as additional DoD or DAF guidance is published.

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Chapter 1: Introduction

"We are united in our commitment to modernizing the Air and Space Forces and in achieving the transformation we must have to be competitive with our pacing challenge – China, China, China."

Frank Kendall, Secretary of the Air Force
Department of the Air Force FY24 Budget Overview
March 2023

The purpose of the budget of the United States government is to allocate resources and funding among all the executive agencies of the federal government as well as for social programs and interest on the nation's debt. The U.S. budget not only focuses on dollars but other resources, such as agency manpower (military end-strength) and equipment (aircraft, vehicles, etc.) With an FY24 President's Budget DOD request of $842 billion, the Defense Department requires a longer-term view beyond the single-year budget request and three-year strategic plan currently required by law. The Defense Department process first implemented in 1962 to allow this longer-term planning and analysis – the Planning, Programming, Budgeting and Execution (PPBE) process – is outlined in this Reference Guide.

This Manual includes dollar amounts and illustrations to reinforce major concepts and processes. Some chapters of the Manual provide introductory material while other chapters give more detailed and greater depth on planning, programming, budgeting and execution processes. This Manual also provides information on planning, programming, and budgeting activities, functional community interactions, how programs and budgets are arrayed, and program files and data element descriptions. Commonly used acronyms and a glossary appear at the end of the Manual.

This first chapter provides environmental context surrounding the Defense Department budget. It is important for PPBE stakeholders to understand how the Defense Budget competes each year with other elements of the federal budget for limited funds. Defense budgets are cyclic, with eight to ten years of budget growth followed by ten to twelve years of more gradual decline.

The fiscal year 2024 President's Budget proposal of March 2023 accelerates a shift in national spending from defense to non-defense accounts: the FY24 President's Budget proposal of $842B represents an increase of 13.4% from the FY22 base level request – nearly $100B (although part of this increase reflects the higher cost of inflation and fuel.)

This shift is consistent with the National Security Strategy that was released in October 2022, which emphasized both defense and non-defense solutions related to the global environment and alliances. Similarly, the National Defense Strategy (NDS) also released in October 2022 and PPBE processes and products use the NSS as a strategic guidepost.

In an effort to ensure evolving Defense program portfolios – and funding – continue to support national strategic goals, the Defense Department continues to support capability-based planning and programming. The object of this effort is to identify those battlefield effects desired by Combatant Commanders, the capabilities required to produce those effects and, finally, the programs or systems providing the capabilities. As fiscal constraints remain unknown, capability-based planning and programming means the Department will continue to focus on supporting warfighter needs with little regard to which military service or defense agency provides such support.

Regardless of whether defense spending or the national budget is increasing, decreasing, or remains the same, the fact remains the Defense Department will always be operating in a fiscally constrained environment. It is crucial all PPBE stakeholders manage their programs and funding to ensure its forces are ready today and prepared for tomorrow. This Reference Manual is intended to help stakeholders identify PPBE process events, deliverables, timeframes, and strategies to support such resource management.

Chapter 2: The PPBE Process, Terms, and Key Players

Introduction

The PPBE System has served as DoD's resource management system since 1962. While most U.S. federal agencies prepare a short-term (one- to two-year) budget request as is required by law, the Defense Department's size and complexity requires the multi-year analysis PPBE provides. The PPBE process is formally required and described in Defense Department Directive (DODD) 7045.14, although the process has evolved much faster than the formal guidance that directs it (DODD 7045.14 was last updated August 2017.) PPBE is a very dynamic process with four interrelated phases designed to produce a Defense budget consistent with national security objectives, policies, and strategies. The process purpose is to identify capability requirements, *Planning*; match those capability requirements with resources, *Programming;* translate them into budget proposals, *Budgeting;* and then evaluate the *Execution* to determine how desired capabilities were achieved.

The Secretary of Defense (SECDEF) provides centralized policy direction throughout the four phases, while delegating program development, execution authority, and responsibility to the Services and DoD agencies. This chapter explains commonly used terms, defines each PPBE process phase, and identifies important leadership figures and offices involved in PPBE.

Common Terms: Future Years Defense Program (FYDP)

The purpose of the PPBE process is to allow DoD to assess strategic requirements and priorities over a span of multiple years rather than a single budgetary year. More specifically, DoD develops fiscally constrained priorities over a five-year period. This five-year period is referred to as the Future Years Defense Program (FYDP.) Formally, the FYDP is the span of years for which DoD has received monetary planning guidance (also known as "fiscal guidance") from the Office of Management and Budget (OMB.)

The assignment of funds to programs and resources must be documented in such a way as to provide an ongoing record of priorities and decisions. All DoD Components (OSD, the military services, and defense agencies) maintain databases of programs, resources, and their assigned monetary values, with all Component databases eventually merged at the OSD level. For this reason, "FYDP" can also refer to the actual database that identifies the "program of record", or official DoD program and monetary position.

Common Terms: Fiscal Guidance

"Fiscal Guidance" refers to the not-to-exceed monetary value assigned to the Defense Department by OMB and, in turn, the monetary value assigned by OSD to each DoD Component. Fiscal Guidance is provided for each year within the FYDP.

Common Terms: Total Obligational Authority (TOA)

The end result of the PPBE process is legislated (authorized and appropriated) monetary amounts for Defense Department operations. These monies will be used to purchase goods and services via legal agreements (such as contracts, task orders, and travel orders) that literally *obligate* the Defense Department to pay for goods and services provided once terms of the agreement have been met. For this reason, the monetary amount provided via Fiscal Guidance is often referred to as "Total Obligational Authority", or the *total* dollar value each DoD Component is *authorized* to use for creating legal *obligations*.

Common Terms: Process Exercises (POM, BES, PB)

The PPBE process produces three primary outputs: a Program Objective Memorandum (POM), a Budget Estimate Submission (BES), and a President's Budget (PB):

– The **POM** is a product generated by each military service and agency and reflects how given Fiscal Guidance is to be assigned to their programs and resources. This Fiscal Guidance assignment involves not only identification of service/agency requirements but also the prioritization of those requirements (because there are always more requirements than fiscal guidance.) The process used by each service or agency to create its POM is up to the service or agency and processes differ greatly from one service/agency to another. The POM is typically submitted by each military department or agency to OSD in July or early August; for the FY 24-28 exercise POMs were due to OSD on July 15 2022. The exact POM due date is identified within OSD guidance that is typically issued in the early spring of each year.

– The **BES** also is a product generated by each DoD Component (military departments and agencies – by law, a budget must be a Secretariat product.) While the POM focuses on requirements and priorities, it is not required by law. Budgets, however, remain the formal legal requirement that the Secretariat of each DoD Component must generate. The BES reflects Component POM priorities in a required budgetary format, including budget exhibits, with appropriate pricing and inflationary factors incorporated. The timing of the BES is more subject to process changes; within the last 10 years it has been submitted by Components at the same time as the POM (in the late summer of each year) *or* as a separate output in the late fall. The FY24 BES was submitted to OSD on August 29 2022.

– Once all DoD Components have submitted the POM and BES to OSD on their respective due dates, OSD offices (the office of Cost Assessment and Program Evaluation – CAPE – and OSD Comptroller) will review service and agency POM and BES content. These two separate reviews, known as the Program Review and Budget Review, are designed to help OSD consolidate and prioritize all DoD requirements into a single Defense Department budget request, which will become part of the larger **President's Budget** request developed by OMB and by law must be submitted to Congress no later than the first Monday in February each year or by a date mutually agreed upon by the White House and Congress. In years when a new President is inaugurated, it is common for the President's Budget to be submitted to Congress later in the spring. The FY2024 President's Budget was submitted to Congress on March 9, 2023.

The next section of this chapter applies these common terms to describe the nature of each PPBE phase in greater detail.

The Planning Phase

The PPBE planning phase begins as a DoD function designed to provide a vision of the future described via broad strategy and plans. The planning phase encompasses long-range guidance out to 20 years, long-range objectives out to 10 years, and mid-range objectives out to 5 years. Because the purpose of the planning process is to identify what is *needed* versus simply what is affordable, the planning process does not consider fiscal constraints but in recent years planning has become more "fiscally informed."

The primary tasks in this phase include collecting intelligence about the military capabilities and political intentions of foreign nations; evaluating the threat to U.S. national security; developing strategies to meet the threat; and devising force levels to support the strategy. Long-range plans (20 years) are generated to reflect the major force

modernization and investment requirements for each DoD Component. Both long-range and mid-term defense planning are influenced by national priorities outlined in the **National Security Strategy (NSS)** and Congressional activity.

Over the last several years, DoD has moved to a more centrally-initiated and managed strategic planning process, particularly since 2010 when the confluence of changing operational requirements in Iraq and Afghanistan and fiscal constraints both created a need for significant re-evaluation of U.S. strategy and global objectives. In addition, this changing environment has increasingly emphasized the role of the Joint community in analyzing operational capabilities and identifying capability-based requirements.

OSD's evolving approach to strategic planning centers around two primary products/processes. The **Defense Planning Guidance (DPG)** is an annually issued document that provides overall defense guidance and priorities for military forces, modernization, readiness and sustainability, and supporting business processes and infrastructure for program development. The most recent DPG was released in June 2022; an updated DPG will be published in spring 2023. Additionally, the DPG aligns with the NSS and NDS; both of these documents inform the DPG.

Within the joint community for the mid-term planning period (2–8 years), strategic planning is conducted within the **Joint Strategic Planning System** (**JSPS.**) The JSPS is the system by which the CJCS develops the information necessary to discharge his/her congressionally mandated responsibilities as the principal military advisor to the President and the SECDEF. The JSPS produces several key documents: the **Chairman's Strategic Recommendation (CSR)***,* **Chairman's Program Recommendation (CPR),** the **National Military Strategy (NMS),** and the **Joint Planning Document (JPD)**. These documents help guide OSD and the SECDEF in outlining the department's planning priorities through the DPG.

The Programming Phase

Programming is the second PPBE phase. Programming is the first PPBE process to apply fiscal constraints to the OSD vision developed in the Planning Phase. Programming is primarily a military service or defense agency function and translates guidance into action; balances allocation of resources to plans; organizes plans into packages (programs); prioritizes programs; and determines program affordability. Note: while each military service builds its POM separately, within the Air Force and Navy Departments, the products of the two military services are integrated into a single, Department-level POM.

The **DPG** not only outlines an overarching strategy for the Defense Department but also serves as the link between planning and programming. It is the primary source document for the programming phase. Programming's output product, the **Program Objective Memorandum (POM),** is developed within the fiscal constraints outlined within the DPG and is the primary means to request revisions to existing departmental resources as identified in the **Future Years Defense Program (FYDP)**. Each Component POM is submitted to OSD for further review, typically in the summer timeframe each year.

The Budgeting Phase

Budgeting is the third phase of the PPBE process and involves the formulation and justification of near-term resource requirements monetary allocation by appropriation, based on the results of the planning and programming efforts. The budget is developed from the Component's POM and the final budgeting product submitted by military departments and agencies to OSD is called the **Budget Estimate Submission (BES**.) Although the budgeting phase

is completed for the full five-year span of the FYDP, budget formulation concentrates on the first year of the FYDP and focuses on providing a detailed price estimate for presentation to Congress.

The OSD Program Review

POMs are reviewed for compliance with the DPG and other pertinent strategic guidance during the OSD Program Review. The OSD Program Review is led by the OSD office of Cost Assessment and Program Evaluation (CAPE.) Once Components submit a POM to OSD, the OSD CAPE Program Review evaluates Component POMs for compliance with strategic guidance and any specific programmatic guidance. Additionally, the **Chairman's Program Assessment (CPA),** developed by the Chairman of the Joint Chiefs of Staff, provides user risk assessment of POM recommendations and requests. The Program Review culminates in the issuance of **Program Decisions** by the DEPSECDEF, guidance documents that may direct monetary or other programmatic adjustments to Components' programs.

Historic Note: OSD issued "Program Decision Memoranda (PDMs)" prior to 2010. These were replaced by "Resource Management Decisions (RMDs)" from 2010-2015 but returned for the FY18 and FY19 OSD Program Reviews.

Since the FY22-26 Program Review and Budget Review (including for the FY24-28 Program Review and Budget Review), OSD has used the terms "Program Decisions (PDs)" to direct program changes and "Budget Decisions (BD)" to direct budget changes.

The OSD Budget Review

Once Components submit their BES' to OSD, the OSD Comptroller Budget Review evaluates these inputs for compliance with budget guidance, fiscal guidance and directed economic assumptions. This budget guidance includes due dates and detailed instructions for preparing estimates for the prior year (PY), current year (CY), budget years BY1 and BY2 and the out-years. The OSD Comptroller may also publish Budget *Decisions (BD)* to provide budget review feedback and redirection to Components.

Upon conclusion of the OSD Budget Review, the Defense Department budget request is coordinated with the Office of Management and Budget (OMB) to become part of the larger President's Budget (PB) request. The President's Budget is required by law to be submitted to Congress no later than the first Monday in February of each year.

The Budgeting phase of PPBE also includes all legislative activity associated with developing the annual National Defense Authorization Act and the Defense and Military Construction Appropriation Acts. Once both these Acts are signed into law, the Budgeting phase is considered complete.

The Execution Phase

The final phase of the PPBE process is program and budget execution. Execution is the process by which appropriated funds are obligated and the performance of the planning, programming and budget formulation phases are measured and validated. The Execution phase occurs once Congress enacts Authorization and Appropriations Acts. During execution, assumptions that were made about program performance and capabilities can be tested. Also, risks taken during any previous phase (such as altering funding levels for a program) are often exposed in execution. The value in tracking execution data is the guidance provided to adjust future plans, programs, and budgets based on actual events. Consider, however, that Congress enacts the budget based on its own program

and plans, so there will be differences between the original Defense budget request and funding actually received and executed.

PPBE Phases Overlap

Each PPBE phase has its own associated timeframe, but process phases run in parallel rather than consecutively. In any given year, those involved with PPBE may find themselves providing input for all of the phases, often simultaneously. Another challenge is the different phases and sequences are interconnected, resulting in participants having to provide input to four parallel PPBE sequences, each representing activities affecting a different fiscal year but taking place within the same calendar year.

The Big Picture

A full PPBE process depiction is shown in Figures 2-1 and 2-2. The steps identified in Figure 2-1 take approximately 15 to 18 months to complete the journey of developing and presenting the President's Budget. The focus on planning and programming remains the same each year: turning the Defense Planning Guidance (DPG) into a POM and BES for developing a President's Budget. The details and specific activities of this process are shown in Figure 2-2.
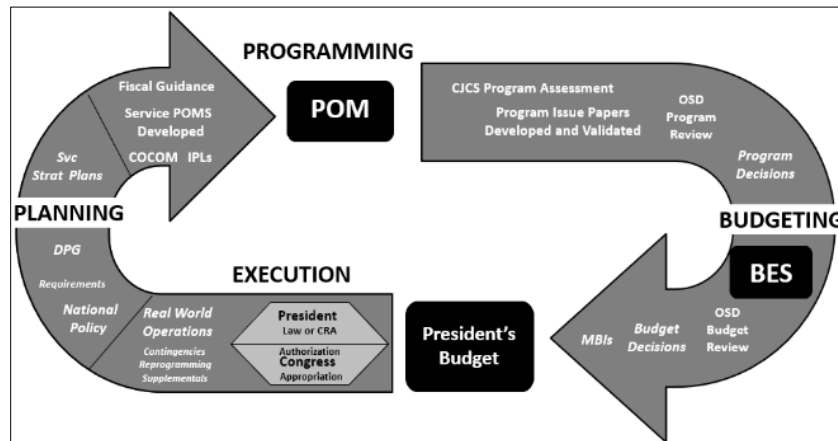
Figure 2-1. Resource Allocation Process (PPBE) Cyclic View
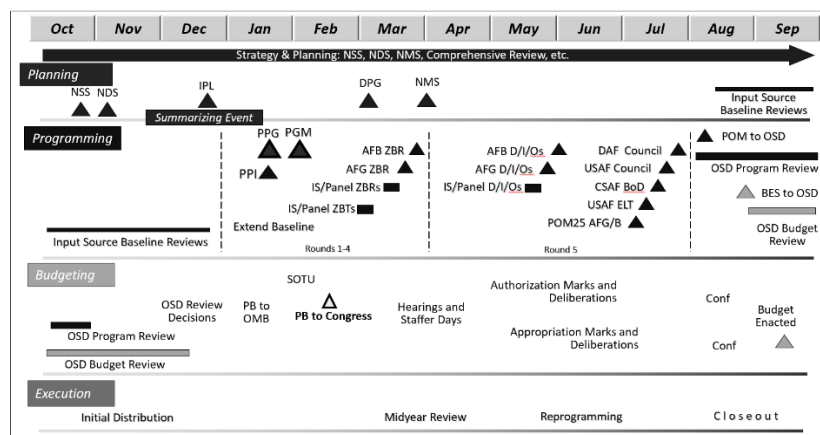
Figure 2-2. PPBE Timeline Calendar

The Unified Chain of Command

Most PPBE participants have a legislated responsibility to prepare a budget, and within the Defense Department each budget owner also develops a Program Objective Memorandum (POM.) The majority of this Reference Guide focuses on PPBE activities of these budget owners: OSD, the military services, and defense agencies. However, although the Joint Chiefs of Staff and most of the Combatant Commanders do not hold budgetary authority, their unique role within the PPBE process must be thoroughly understood. This next Reference Guide section highlights PPBE-related roles and responsibilities of the Joint Staff. First, figure 2-3 provides a high-level organizational chart that illustrates the unified command line from the President, through the Secretary of Defense and the Chairman of the Joint Chiefs of Staff (CJCS), to the Combatant Commanders.
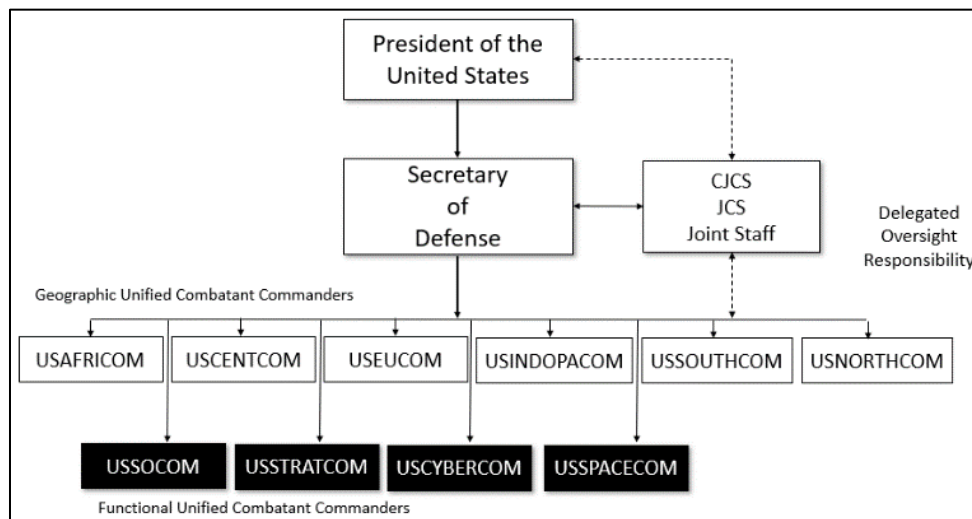
Figure 2-3. Unified Chain of Command

The Role of the Chairman of the Joint Chiefs of Staff is:

− Principal military advisor to the President, Secretary of Defense, and National Security Council
− Head of the Joint Chiefs of Staff and senior ranking member of the Armed Forces
− Communications conduit between the National Command Authority and the commanders of the combatant commands

Note: The Chairman has no statutory authority over combatant forces.

Even without formal budgetary authority, the Chairman and the Joint Staff participate in every stage of the PPBE process. This is a direct result of the Goldwater-Nichols Act identifying the Chairman as the principal military advisor to the President and allowing the joint staff and theater Commanders to participate in the PPBE Process. Table 2-2 lists key documents produced or supported by the joint community.

BES	**Budget Estimate Submission–**Service and DoD Agency proposal of time-phased program pricing with justification documents for President's Budget.	**CPA**	**Chairman's Program Assessment–** Chairman's personal appraisal of the Service program and budget proposals
CPG	**Contingency Planning Guidance–**SECDEF guidance to Chairman to reflect the NSS and DPG: principle source document for the JSCP.	**CPR**	**Chairman's Program Recommendation–**Chairman's personal recommendations to SECDEF on priorities, goals and objectives for POM as input to DPG
DPG	**Defense Planning Guidance–** provides overall defense policy and strategic guidance to be used in developing the defense program.	**IPL**	**Integrated Priority List–**List of Combatant Commander high priority needs for filling shortfalls in key capabilities and programs.
JSCP	**Joint Strategic Capabilities Plan–**Guidance to Combatant Commanders to accomplish tasks and missions	**JSR**	**Joint Strategy Review–** combined effort of Services, Combatant Commanders, Chairman and staff
NSS	**National Security Strategy–**developed by National Security Council	**NMS**	**National Military Strategy–** document conveys JCS and Chairman's advice on the strategic direction of the Armed Forces in implementing the guidance NSS and QDR
Plans	**Plans–**plans developed by Combatant Commanders to accomplish tasks and missions	**POM**	**Program Objective Memorandum–**Service and DoD Agency resource requirement to accomplish mission

Table 2-1. Joint Community Document Acronyms

IPLs, the CSR, CPR, and the CPA

Integrated Priority Lists (IPLs) are a key means by which the Combatant Commanders communicate their operational requirements to the SECDEF, CJCS and Services. The Combatant Commanders submit their IPLs annually to the SECDEF, with the CJCS and Services receiving copies. IPLs represent the Combatant Commanders' top warfighting needs and are designed to influence the services' POM submissions. In recent years, OSD has directed the CCMDs to produce capabilities-based IPL submissions, focusing on warfighting requirements rather than specific system-based solutions. This reflects the evolving mindset in OSD giving increased responsibility to the joint community in identifying capability-based requirements. The IPLs affect the Defense Planning Guidance (DPG) and the Joint Staff's Joint Planning Document (JPD), a product of the JSPS. The IPL is one document against which OSD assesses the adequacy of the services' POM submissions. CCMD IPLs are also informed by the Guidance for the Employment of the Force (GEF) produced by OUSD(Policy.)

The Chairman's Strategic Recommendation (CSR) describes the Chairman's early strategic-level advice and input to the SECDEF. It identifies joint-based capability needs and requirements. The CSR significantly influences OSD's preparation of the DPG.

The Chairman's Program Recommendation (CPR) relays the Chairman's personal recommendations directly to the SECDEF. The CPR focuses on the Chairman's high-priority programs in support of joint doctrine, readiness, and training issue areas. The SECDEF uses the CPR during the construction of the final DPG.

The Chairman's Program Assessment (CPA) is the Chairman's "report card" on the Services' programming efforts. It summarizes and communicates the Chairman's views on the balance and capabilities of the POM force and support levels required to attain our national security objectives. Whereas the JPD, CSR and CPR "transport" the planning efforts from the JSPS to the PPBE, the CPA ties PPBE back into the JSPS.

Key DoD PPBE Players

– The **Secretary of Defense (SECDEF)** is the civilian head of the DoD. The SECDEF sits on the President's Cabinet and has duties as a member of the National Security Council (NSC).

– The **Deputy Secretary of Defense (DEPSECDEF)** assists the SECDEF in the overall DoD leadership and, under some SECDEFs, manages the PPBE System.

– The **Under Secretary of Defense for Policy (USD(P))** represents the DoD on foreign relations and arms control matters and serves as a primary advisor to the DEPSECDEF for the PPBE planning phase.

– The **Director of Cost Assessment and Program Evaluation (CAPE)** directs many of the key decision-making defense groups and heads the Program Review of the Service budget inputs.

– The **Under Secretary of Defense, Comptroller (USD(C))** serves as the principal assistant to the SECDEF and DEPSECDEF for budgetary and fiscal matters, constructs the DoD input to the President's Budget, and heads the Budget Review of Service budget inputs.

– The **Under Secretary of Defense for Acquisition and Sustainment (USD (A&S))** acts as the Defense Acquisition Executive and has DoD-wide responsibility for acquisition matters.

– The **Military Department Secretaries** are the civilian heads of their respective military Departments, act as key advisors to the SECDEF/ DEPSECDEF, and manage their own versions of PPBE.

– The **Chairman of the Joint Chiefs of Staff (CJCS)** acts as principal military advisor to the President, transmits communications from the President and SECDEF to the Combatant Commanders, and participates in DoD senior councils speaking for the Joint Chiefs of Staff (JCS) and the Combatant Commanders. The CJCS receives support from the JCS, Joint Staff, and the Joint Requirements Oversight Council (JROC).

– The **Combatant Commanders** (CCDRs) are the warfighters who execute the military strategy developed in planning. The Combatant Commanders provide PPBE-related inputs through both the Services and CJCS, particularly through the Joint Strategic Planning System (JSPS) and through submission of the Integrated Priority Lists (IPLs).

Key DoD Groups and Boards

– The **Deputy's Management Action Group (DMAG)** was created in 2011 by then-DEPSECDEF Ashton Carter as a four-star level body chartered to review management actions across the defense enterprise, including the PPBE process and the OSD Program and Budget Review. The DMAG is chaired by the DEPSECDEF and co-chaired by the Vice Chairman of the JCS. DMAG membership is topic dependent.

– The **Resource Management Group (RMG)** is the mid-level review group chaired by the Director, CAPE who develops issues for the DMAG. The RMG identifies major issues, analyzes them, and develops decision options for the DMAG.

- The **Defense Acquisition Board (DAB)** is directed by the USD (A&S) and VCJCS and oversees the defense system acquisition of major programs. The DAB reviews major defense programs at the completion of each life cycle milestone and links the acquisition process to PPBE.

- The **Joint Requirements Oversight Council (JROC)** is chaired by the VCJCS and links the acquisition process to PPBE. The JROC articulates military need and validates DAB program performance goals and program baselines at successive milestones.

Players Outside of DoD – The Executive Branch

- The President is authorized to submit the national budget each year under the Budget and Accounting Act of 1921 (Title 31, Subtitle II, Chapter 11, Section 1105, U.S. Code.)

- The National Security Council (NSC) prepares national security guidance, with the President's approval, establishing national security policy. Title 50 requires the President to annually submit to Congress a comprehensive report regarding the National Security Strategy (NSS) of the United States along with the President's Budget.

- The Office of Management and Budget (OMB) has the authority to assemble, correlate, revise, reduce, or increase requests for the appropriations of all federal departments. The OMB provides assistance to the President in the preparation of the budget and the formulation and administration of government fiscal programs.

Players Outside of DoD – The Legislative Branch

- As required by law, the President sends the budget to Congress not later than the first Monday in February. Congress can approve, increase, or decrease funding levels, eliminate proposals, or add programs not requested by the administration. The Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344) requires Congress must first agree on government-wide totals prior to considering individual appropriation measures before April 15th of each year.

Chapter 3: Financial and Program Structures

In order to program and manage resources effectively, all PPBE practitioners must know how resources are identified and in what databases they are kept. In addition, using consistent financial and programmatic data structures allow the Department of the Air Force to express to Congress how it intends to use the budget authority requested.

Future Years Defense Program (FYDP)

The FYDP is the official collection of DoD data summarizing resources (**Total Obligational Authority** (TOA)) and manpower associated with DoD programs approved by the Secretary or Deputy Secretary of Defense by fiscal year. The FYDP compiles total resources (forces, manpower, funding) programmed for DoD over a specific period of time. At the Defense Department level, the FYDP is maintained in databases within the OSD Comptroller and OSD CAPE offices.

The FYDP reflects the total resources programmed by DoD, covers five years in total, and generally begins two years after the current calendar year (for example, the FYDP for most of calendar year 2023 is FY2025 through FY2029.)

The FYDP is updated two or three times each year: once when Components submit a POM to OSD, a second time when Components submit a BES to OSD, and a third time in February to reflect the President's Budget (PB) as submitted to Congress (note: if the POM and BES are submitted simultaneously, as has occurred in years past, the FYDP is only updated twice.) After each update to the FYDP, the changes made become the departure point (baseline) for developing the organizations' program and the next budget event. Figure 3-1 shows the FYDP timeline.

FY25-29 FYDP

BY	+1	+2	+3	+4
FY25	FY26	FY27	FY28	FY29

Figure 3-1. FYDP Timeline with FY25-29 Example

Major Force Programs (MFPs)

Congress uses MFPs to aggregate dollars, identifying areas of spending. There are 12 MFPs. These cross service lines and each service contains a portion of those MFPs relating to its mission. Table 3-1 below shows the 12 major force programs.

1	Strategic Forces
2	General Purpose Forces
3	Command, Control Communications and Intelligence
4	Mobility Forces
5	Guard and Reserve Forces
6	Research and Development
7	Central Supply and Maintenance
8	Training, Medical and Other Personnel Activities
9	Administration and Associated Activities
10	Support of Other Nations
11	Special Operations
12	National Security Space

Table 3-1. Major Force Programs, by Number

Note that another data element called a program element is a subset of MFPs (described in more detail below.) The first two numbers within a PE corresponds to the related MFP. See Appendix C, "Program Element Number Mapping", for a more detailed explanation of the link between program elements and MFPs.

Program Element (PE) Numbers

PEs are the basic building blocks used by DoD for the FYDP; therefore, they are fundamental to the Program Objective Memorandum (POM.) There are over 800 PEs assigned to the Department of the Air Force (DAF.) DAF programs are described by using PEs, each of which identifies the resources needed to support a specific program.

PEs were specifically designed to include multiple appropriations, if needed, so a PE can have multiple appropriation codes embedded with resources attached. PEs can also affect more than one Air or Space Force Panel; therefore, cross-panel coordination is a must. AF/A8PE is the Air Force **Office of Primary Responsibility (OPR)** for PE maintenance; SF/S8N is the OPR for the Space Force. Air Force AF/A8PE assigns PEs to Air Force corporate structure Panels according to their force structure or support function; Space Force SF/S8N performs the same function for the Space Force.

PEs can be changed, added or deleted using the guidelines of DoDI 7045.7 and AFI 16-501. All PPBE participants need to understand the elements represented with PE numbering. Figure 3-2 provides an example of how PEs are built, and additional guidance is contained within Appendix C, "Program Element Number Mapping."

Figure 3-2. PE Structure and Example

Note: at the DoD level, PEs consist of 8 characters. In prior years, the Air Force dropped the first digit of the MFP and Special Use code, which resulted in a 6-digit PE. As a 6-digit PE does not allow for 2-digit MFP numbers, MFPs 10, 11 and 12 were reflected by using a lower case "a", "b" and "c" as the first digit of the Program Element number. This adjustment was required due to limitations within the database system ABIDES (the DAF master database used until calendar year 2021.) The updated DAF database PBES (Program Budget Enterprise System) launched in 2021 and reflects a return to a full 8-digit PE.

Appropriation Codes

Appropriation codes represent the functional categories Congress uses to fund the DoD budget request. Appropriation codes can be thought of as categories of money, each with a specific intended use. Table 3-2 shows the major Department of Air Force appropriation codes and their individual life spans. Appropriation codes (APPN) are used in DAF and OSD systems. Each appropriation has a specific life span and is no longer available for obligation once the life expires. This is an important reason for programming the funds in the year of need.

APPN	Appropriation	Life
3010	Aircraft Procurement	3 Years
3020	Missile Procurement	3 Years
3021	Space Procurement	3 Years
3080	Other Procurement	3 Years
3300	MILCON	5 Years
3400	O&M	1 Year
3401	O&M	2 Years
3500	Military Personnel	1 Years
3501	Military Personnel	2 Years
3600	RDT&E	2 Years
3700	AFRES Personnel	1 Years
3701	AFRES Personnel	2 Years
3730	AFRES MILCON	5 Years
3740	AFRES O&M	1 Year
3741	AFRES O&M	2 Years

APPN	Appropriation	Life
3830	ANG MILCON	5 Years
3840	O&M ANG	1 Year
3841	O&M ANG	2 Year
3850	Military Personnel ANG	1 Years
3851	Military Personnel ANG	2 Years
7040	Family Housing Construction	5 Years
7045	Family Housing Ops Fund	1 Year
4930	Defense Working Capital Fund (DWCF)	1 Year

Table 3-2. Major DAF Appropriation Codes

Forces and Infrastructure

The concept of "tooth-to-tail" ratio is often discussed in conjunction with MFPs, program elements, and appropriation codes. Another means to consider these resources is to compare Forces (tooth) to Infrastructure (tail.) Forces are associated with mission (Flying Squadrons, Aircraft, Bombs, Security, Missiles, etc.) and infrastructure is associated with mission support (Training, Recruiting, Education, Staff, Military Construction, etc.). All PPBE practitioners must efficiently optimize resources with an appropriate investment in infrastructure. Infrastructure dollars are at high risk during budgeting exercises. Those managing resources also need to be aware of reductions by Congress based on infrastructure; caution is required prior to adding money back to these areas. Senior leaders realize the need for infrastructure spending but also want to limit this spending. Dollars allocated to force structure are perceived as being protected because reducing force allocations has a direct correlation on capability and mission accomplishment. Reducing infrastructure allocations can have a direct or an indirect correlation. The goal is to always minimize this expenditure. Congressional markups during appropriation cycles are good indicators of dollars at potential risk for other uses during program and budget reviews.

Beyond Program Elements and Appropriations

Program Codes

A Program Code is the 6-digit number through which a smaller portion of a program element program is tracked – most notably for modifications or changes within a program element. Program codes are assigned sequentially so the number has no special significance. New program codes can be requested and approved through AF/A8PE or SF/S8N. Every DAF dollar is mapped to one and only one program code.

Operating Agency Codes

Operating Agency Codes provide another level of program detail and identify funds specific to a MAJCOM (Air Force), FIELDCOM (Space Force), Field Operating Agency (FOA), or Direct Reporting Unit (DRU.)

Weapon Systems Codes (WSCs)

A WSC is a DAF-specific six-digit alphanumeric code used to identify and map procurement-funded activities to a particular weapon system across PEs and Budget Programs (BPs) or group common procured commodity categories within a BP.

Budget Program Activity Codes (BPACs)

Within RDT&E, an Air Force MAJCOM-issued six-digit alphanumeric code that serves as a program element's (PE)/R-1 primary division between subordinate funded activities.

Cost Categories (Cost Cats)

A Cost Category is a 5-digit numeric code that identifies cost type, most typically within the Operations and Maintenance and Manpower appropriations (example: Officer or Enlisted costs.) The codes are designed for use in budget preparation and accounting systems to identify the nature of services and items acquired for immediate consumption or capitalization. (Some are model driven e.g. flying hours and manpower.)

Constant and Then-Year Dollars

Then-Year Dollars

Then-Year (TY) Dollars reflect the rate of inflation rates over different fiscal years. When Congress appropriates dollars, they do so in TY Dollars. The POM, BES, PB, and appropriations are always in TY Dollars.

Why do we have then-year Dollars? Since outlays (government cuts a check or EFT funds) occur over many fiscal years for almost all appropriations, inflation affects these outlays. Think of TOA as a checkbook with enough money in it to pay for goods and services purchased over numerous fiscal years, and then draw down to a zero balance at the end.

Not all money Congress appropriates within DAF TOA is spent in the current fiscal year. For example, Operations and Maintenance (O&M) funding has a one-year legislated life for obligation, so all FY23 funds must be obligated in FY23 before the appropriation *expires*. However, every appropriation has an additional 5 years of availability to actually finish the payment cycle for the goods and services the government obligated itself to pay for before the end of FY23, 30 September 2023. After five years, the appropriation is *cancelled* and no longer available for any use.

Using FY23 as the initially legislated year, FY23 O&M obligations will be paid for (expended and then outlaid) as goods are actually received over the next five years. At the end of FY28, all available funds are cancelled, so it's important all obligations are paid in full before that time.

Other appropriations have different execution timetables. For example, most procurement appropriations are current (able to be obligated) for three years. Research, Development, Testing and Evaluation (RDT&E) funds are current for two years. Military personnel (MILPERS) funds are current for a single year.

Do not confuse *obligations* with expenditures, the second phase of dollar execution, and *outlay, the final phase of dollar execution.* Obligations represent a legal (signed) contract for payment, such as a purchase order or travel order. Expenditures occur once goods and services have been received (or travel has been completed) and the obligating command formally approves an invoice (or travel voucher) for payment. Outlays are the actual issuance of monies, such as a check or EFT. For O&M, the appropriation must be *obligated* by the end of one fiscal year, but expenditures and *outlays* to actually complete the purchase process for goods and services will occur over the next five fiscal years.

Constant Dollars

These types of dollars reflect the amount of spending as if all of the outlays occurred in <u>one</u> fiscal year. We use Constant Dollars to show real growth in the budget (or a real decrease as the case may be). To compute real growth, you must use Constant Dollars; never use Then-Year Dollars.

A "Base Year Dollar" and a "Constant Year Dollar" are really the same thing. A program which has a "Base Year of FY18" means the dollars for every year in the analysis are expressed in FY18 Constant Dollars. Many acquisition programs use a particular Base Year (e.g., FY18) for expressing their dollars as a means to measure cost growth.

Chapter 4: Planning

The Planning phase of PPBE incorporates many strategic guidance documents such as the National Security Strategy (NSS), National Defense Strategy (NDS), the National Military Strategy (NMS), the Defense Planning Guidance (DPG) and other documents supporting DAF core functions. The objective of the PPBE planning phase is to develop strategic guidance documents that reflect the priorities of the National Command Authority, the Joint Staff, the OSD Staff and the Department of the Air Force. This guidance enables the DAF to align its direction with that of the President, Secretary of Defense and Chairman of the Joint Chiefs of Staff. DAF planning also establishes guidance that will inform the development of the POM by examining the impact of capability needs through the mid- and long-term planning periods.

Supporting the planning process is a series of strategic planning documents including the National Security Strategy (NSS), National Defense Strategy (NDS), the National Military Strategy (NMS) and the Defense Planning Guidance (DPG.) **The primary DAF strategic guidance document is currently the National Defense Strategy (NDS.)**

The most recent **National Security Strategy (NSS)** was released in October 2022. The NSS has three major themes:

1) **Invest** in the underlying sources and tools of American power and influence
2) **Build the strongest possible coalition** of nations to enhance our collective influence to shape the global strategic environment and to solve shared challenges
3) **Modernize and strengthen** our military so it is equipped for the era of strategic competition with major powers, while maintaining the capability to disrupt the terrorist threat to the homeland

The **National Defense Strategy (NDS)** is used to establish the objectives for military planning regarding force structure, force modernization, business processes, supporting infrastructure, and required resources (funding and manpower). The NDS plays a key role in identifying the capabilities required by the warfighters to support the National Security Strategy (NSS.) As the DoD's capstone document, the National Defense Strategy informs the National Military Strategy (NMS), and provides a framework for other DoD strategic guidance, including campaign and contingency planning, force development, and intelligence.

The most recent NDS was also released in October 2022 and identifies outcomes and DOD priorities and capabilities to achieve those outcomes. Figure 4-1 shows the relationship between these concepts within the NDS.

OUTCOMES: With other agencies and departments, DoD will safeguard and advance U.S. interests:
1. Protect the security of the American people
2. Expand economic prosperity and opportunity
3. Realize and defend the values at the heart of the American way of life

DoD PRIORITIES to support outcomes:
1. Defend the homeland
2. Deter strategic attacks against the U.S., our allies, and our partners
3. Deter aggression and prepare to prevail in conflict when necessary
4. Build a resilient Joint Force and defense ecosystem to ensure our future military advantage

CAPABILITIES: We will advance our priorities through:
1. Integrated deterrence
2. Campaigning
3. Building enduring advantages

Figure 4-1. The 2022 NDS Outcomes, Priorities and Capabilities Relationship

The **National Military Strategy (NMS)** serves as DoD's overarching statement of defense strategy and business policy. It also continues to be the single link throughout DoD that integrates and influences all internal decision processes.

The **Defense Planning Guidance (DPG)** translates national and DoD guidance into specific capability-based priorities and requirements. It provides resource informed strategic guidance that begins the planning cycle and assigns long/short term issues for study. DPG decisions will also be folded into Service POMs.

JSPS Planning Input

The **Joint Planning Document** is a principal product of the Joint Strategic Planning System (JSPS) and provides the initial, timely, authoritative CJCS planning and broad programming advice to the SECDEF for initial preparation of the draft DPG. The JPD informs the DPG writers of the CJCS planning priorities as well as broad programming priorities. It reflects the CJCS' planning guidance based on the NMS, Joint Strategic Review, JSCP, Joint Vision, and strives to identify critical capability shortfalls in meeting the NMS. The JPD is prepared and submitted approximately 6 months in advance of the scheduled publication of the DPG.

The **Chairman's Program Recommendation (CPR)** provides programmatic advice to the SECDEF prior to publication of the DPG. The CPR emphasizes specific recommendations that will enhance joint readiness, promote joint doctrine and training, and better satisfy joint warfighting requirements within DoD resource constraints and within acceptable risk levels. The CPR is developed through the JROC-JWCA process, and vetted through each Combatant Command, Service Chief, and J-Director.

The **Chairman's Strategic Recommendation (CSR)** describes the Chairman's early strategic-level advice and input to the SECDEF. It identifies joint-based capability needs and requirements. The CSR significantly influences OSD's preparation of the DPG.

The **Chairman's Program Assessment (CPA)** provides the Chairman's personal assessment of the conformance of Service and agency POMs to the priorities established in the DPG, strategic plans, and combatant commander requirements. It is submitted to influence the OSD Program Budget Review (PBR), the result of which may be Program Decisions (PDs) or Budget Decisions (BDs) that direct programming and budgetary changes from the services, defense agencies and the OSD staff as required. Most CPA issues are derived from JWCA findings and recommendations vetted through the JROC.

Combatant Commander Inputs

Programmers should also review each Combatant Commander's **Integrated Priority Lists (IPL),** which is a list of the Combatant Command's top funding priorities. IPL Items may be either specific programmatic requests or may be couched in terms of capabilities required. IPLs are usually near-term request because the focus of the CCMD's is usually immediate needs within their AOR or functional mission area.

All involved in the POM build should be cognizant of a CCMD's IPL request because failure to address these requests has the potential to result in a CCMD's sponsored "issue" (challenge) during OSD's Program Review after the MilDept POMs have been submitted.

Both Air and Space Forces use effects and capabilities-based planning and programming processes to validate potential program change requests during the POM cycle. Thus, the foundation of both Air and Space Force POMs is the programs and capabilities required to support specific Core Functions (see figure 4-2 below, noting the Core Function concept still reflect a DAF-level perspective.) These capabilities are derived through combinations of sub-capabilities provided by systems and family-of-systems. By focusing on capabilities, the Air and Space Forces shifted their emphasis from programs and platforms to battlefield effects and concept of operations that emphasize how airmen and guardians will fight in joint combat operations within a joint integrated architecture.
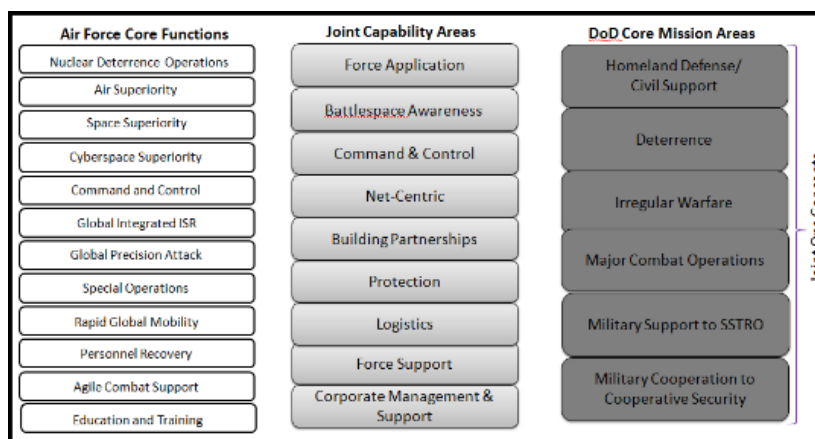

Figure 4-2. USAF Core Functions – Joint Capability Areas and DoD Core Mission Areas

Air Force Core Functions

DAF Core Functions were developed as a means of capturing and articulating the "key" DAF contributions to the joint fight. The Service Core Functions (SCF) are functional areas that delineate the appropriate and assigned core duties, missions, and tasks of the DAF as an organization. Service Core Functions express the ways the DAF is particularly and appropriately suited to contribute to national security, although the SCFs do not cover every aspect in which the Air and Space Forces contributes to national defense. The DAF Service Core Functions support OSD's Joint Capability Areas (JCA) which in turn support the DoD Core Mission areas. See Figure 4-2 above (the "Service" core function concept remains defined at the DAF level as each of the DAF Services determine distinct areas of functional responsibility.)

Planning Guidance as Inputs to the POM

The **Plan to Program Guidance (PPG)** complements the NDS. The PPG is designed to incorporate any "initial vectors" that result from the Air Force **4-Star Summarizing Event** (formerly known as the Planning Choices meeting) held in November/December prior to the POM exercise. This allows senior Air Force leadership the ability to direct movement of funds between/amongst the Core Functions prior to upcoming POM build. NOTE: the most recent Planning Choices meeting took place in December 2022 and results in guidance that will be incorporated into the FY 25-29 POM build.

The **Program Guidance Memorandum (PGM)** is an Air Force AF/A8 document that applies a "programming spin" to the PPG. The PGM is also the companion to the **POM Preparation Instruction (PPI)** which is the "how to" unclassified document that details the process/procedures/mechanics for the Air Force POM process. The Space Force also publishes their own PPI that guides their POM process and submission.

Chapter 5: Data Processes

Introduction

Quality decisions rely on quality information. The DAF has developed databases and tools to provide quality information to form recommendations for senior decision makers. Tools alone cannot ensure quality information and decisions. All PPBE Practitioners must respond quickly and accurately in the resource environment. The adage of "you want it bad, you get it bad," cannot exist in the resource distribution world. It is important to know what program data and tools are available to analyze, how to retrieve that data, and how to change the data files. Programming databases and tools include the Program Budget Enterprise System (PBES); Automated Budget Interactive Data Environment Systems (ABIDES – the legacy database replaced by PBES in calendar year 2021); the Force Structure Data Management (FSDM); Manpower Programming and Execution System (MPES); and the Air Force FYDP Structure Management System (Air Force FSMS.) Each of these databases and tools is discussed in this chapter.

Program and Budget Enterprise System (PBES) and Automated Budget Interactive Data Environment Systems (ABIDES)

ABIDES was the database used by the DAF for many years. PBES is its replacement and has been used since the FY23 POM process (calendar year 2021) by both the Air Force and Space Force. Both PBES and ABIDES provide a current and historical database for PPBE stakeholders to conduct research and analysis. Both systems contain all appropriations including dollars, aircraft flying hours, manpower, and end-strength number. SAF/FM is the OPR for PBES.

The PPBE process results in updates to the FYDP and supporting databases three times during each exercise year: once as the POM is completed and submitted to OSD, once as the BES is submitted to OSD, and once upon conclusion of the OSD review cycle. PBES (and ABIDES) historic files are based on those points in time.

Choosing the "current file" in the PBES database will give you the most recent FYDP updated position; prior year data is available as well. For example, ABIDES' historical files are the files used most often when doing research and analysis. It is possible to conduct inquiries to track program changes through the POM, BES, and PB over multiple fiscal years, with data back to 1962. This information is important when defending any program and can assist in providing an interpretation of program intent. As an example, reports based on constant-year dollar inquiries will identify whether spending decreased or increased in real terms. During programming exercises (POM, BES, PB), the baseline start of an exercise is identical to the final baseline for the previous exercise. **Change files** track proposed changes during exercises.

Note: the functions within PBES and ABIDES are very similar. The primary difference between PBES and ABIDES is that the PBES system *includes* an option generation tool that has the ability to pull current program data directly from the database itself. (When using ABIDES, a separate, standalone option generation tool and current program data had to be researched separately from ABIDES and manually re-typed into option presentations by the user.)

Change Control Numbers (CCNs)

CCNs keep track of corporate decisions: approvals or denials of requests for changes to resources within a POM cycle. Every programmatic change briefed through the corporate process must have a CCN. A CCN is a ten-digit alpha-numeric code specifically designed to track changes in PBES. Table 5-1 lists the primary CCN Components.

In what year the change was made
In which cycle (POM, BES, PB)
Whether the proposed change is a disconnect, initiative, or offset
Which panel is the OPR, as well as the panel's sequential number of all actions
Whether any manpower or procurement is part of the change.

Table 5-1. Primary CCN Components

CCNs are used throughout the programming and budgeting process and remain in the database as permanent documentation of program changes. They represent the record of senior leadership decisions. Figure 5-1 identifies the elements and fields required in CCN construction for the POM.
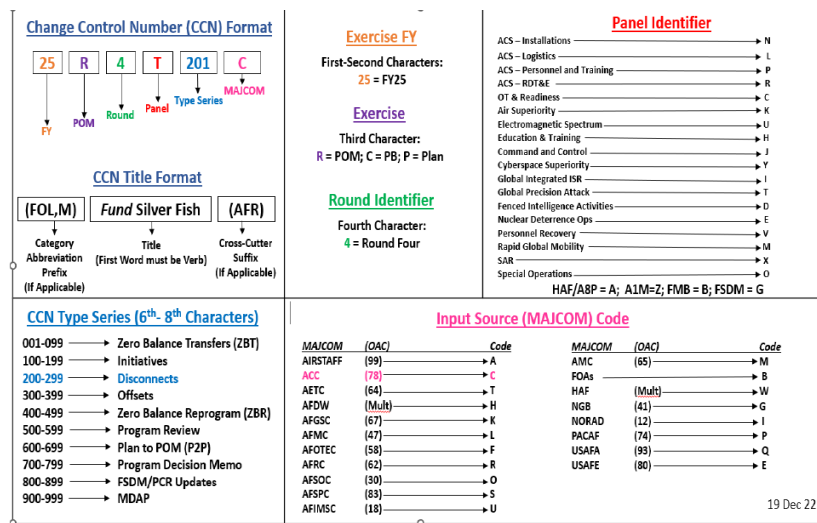

Figure 5-1. Change Control Number Structure

ASARS RAPIDS and "Option" Development

ASARS RAPIDS was a software tool used to develop proposals ("options") to increase or decrease program funding during the POM process. It was used by the Air Staff, MAJCOMs, FOAs and DRUs. Although ASARS RAPIDS functions have largely been absorbed within PBES, the information required to present option proposals via the prescribed "Perfect Slide" (see Figure 5-2) is still a valuable guideline to use for anyone requesting program changes within the POM process. For this reason, this Reference Manual uses the ASARS RAPIDS option format to provide explanation of the information expected to be provided by anyone proposing an option.

Relevant data, background, impact, resources, and hard-hitting facts were all displayed on an ASARS RAPIDS slide, and a common format similar to RAPIDS is still generated by PBES (currently, slides presenting proposed resource changes are simply referred to more broadly as "option slides.") Using a common option format provides uniformity

among PPBE stakeholders and displays all the information required to inform corporate decisions in a presentable format.


Figure 5-2. Option Slide Example

Field	Option Details: Notes and Tips
Background	This block should contain a very concise description of the program or option. This block is limited to a maximum of three lines of text. No word enhancements such as italics, bold, underline or bullets are permitted. When working with the documents, on-screen normal word enhancements may be used, but the enhancements will not be stored.
Adjustment	This block is limited to two lines and describes in specific detail the proposed adjustment and recommendation.
Funding	This block depicts the current program funding for all the program years, then the proposed adjustment by program year, with a total for what the new program years will have funded. Three separate lines with either positive or negative adjustment are represented.
Procurement	This block identifies any procurement items such as airplanes or modification kits by program year and the adjustment to those years.
Manpower	This block identifies any manpower adjustment, plus or minus through the program years.
Impacts	Combatant Commander IPLs; DPG; MAJCOMs, PEMs, and Panels are responsible for preparing option slides. Panel chairs use the slides to brief proposed actions through the corporate structure. Option slides become a critical part of **skull books** (detailed books including additional information on each issue) for Air Force or Space Force Boards (AFB or SFB) and DAF Council members during the corporate review. Option slides are continually refined during the FYDP exercise, and the end product is a concise representation of the proposed program change**.**

Table 5-2. Common Option Slide Data Fields and Explanations

Manpower Programming and Execution System (MPES)

The MPES is a database that contains total force manpower for military personnel positions. MPES is updated exclusively by Manpower Programmers and it contains the end-strength appropriations. It does not contain dollars, aircraft or flying hours. Manpower changes are tied to CCNs and briefed through the corporate structure. Manpower dollars are model driven by cost factors managed by SAF/FMBOP. Every Panel has a manpower programming representative. The manpower programmer on the panel validates, programs, and defends Air Force manpower resources.

There are several rules when adjusting manpower:
– Budget rules change every year; SAF/FMB enforces the process
– All PPBE stakeholders must be sensitive to Congressionally mandated floors, minimum end-strength levels and ceilings, and maximum end strength levels
– Special consideration must be given to the officer-to-enlisted ratio
– PPBE participants must know which manpower authorizations are allowed to be adjusted, as many programs are fenced (protected by Congress)
– Plus-ups can be difficult to execute, so PPBE Practitioners must watch for major growth patterns.

Force Structure Data Management System (FSDM)

FSDM is a mainframe software system with five subsystems:
– Programmed Force Structure
– Programmed Flying Hours
– Actual Inventory and Flying Hours
– Installation/Unit Data
– Attrition Model (yearly aircraft loss model)

FSDM is used as a repository for all force (aircraft) related information. Aircraft and flying hour changes are tied to CCNs approved by the corporate structure and exported to PBES and priced by SAF/FMBOO. Forces (aircraft) and flying hours are updated in FSDM twice a year, during the POM and PB (including approved PCRs and ZBTs.) FSDM is accessible only to the Air Staff Force Programmers and Flying Hours Programmers (AF/A3OT.) The FSDM information allows option development focused on force structure. FSDM is managed by AF/A8PE, contains no dollars or manpower, produces Worksheets, and updates PBES. Resource Managers rely on FSDM for information regarding all flying related issues, force distribution, numbers of aircraft, and modeling. Panels and Force Programmers develop "what if" options for senior leadership based on FSDM as the official Air Force position.

Chapter 6: Department of Air Force Programming

Introduction

There are three things required to produce a POM: the first is a baseline, the second is fiscal guidance, and the third is program or strategic guidance. Within PPBE, a POM is never built from scratch; the last four years of the previous year's FYDP are used as a baseline. It's important to understand the baseline represents a service and DoD position that has been approved by the Service Chief and Secretary as well as the Secretary of Defense.

The second POM requirement is fiscal guidance. Fiscal guidance informs DoD of the maximum size of the DoD budget the administration will be willing to submit to Congress for their consideration. Fiscal guidance is a political document.

The third POM requirement is program or strategic guidance. Program guidance is the outcome of the strategic planning process reviewed and prioritized by DAF senior leadership. Inputs include such things as the CCMD Integrated Priority Lists (IPLs), prior year Congressional guidance, the OSD Defense Planning Guidance (DPG), and the National Defense Strategy (NDS) and the Plan to Program Guidance (PPG), just to name a few.

The Programming phase of PPBE has two equally important parts. First, programmers create and "cost" a resource allocation plan for the equipment, systems, and programs needed to achieve capabilities and execute plans and strategies. For example, let's say that guidance directed the creation of a second training location for the F-35. Programmers would translate that option into specific timelines and detailed budget numbers (what will construction requirements be, how much manpower will be required, how many flying hours must be planned for, what support equipment must the Service procure, etc.). This will become the detail that allows programmers to "cost" the option, create the documentation, and eventually develop the option itself within PBES. Second, programming provides a process through which new requirements (options) will compete for limited fiscal guidance funding. This process will vary from Service to Service. The DAF calls its process the "Corporate Structure", and there is a distinct Air Force Corporate Structure (AFCS) and Space Force Corporate Structure (SFCS) that then integrate their separate POM products into a single DAF-level POM.

Using those Corporate Structures, the two DAF Services match available resources (fiscal guidance) against requirements (NDS, IPLs, PPG, etc.), make the appropriate adjustments to the baseline, combine the two Service inputs into a single DAF POM, and submit that integrated DAF POM to OSD for review. The DAF POM is reviewed by CJCS, OSD, CCMDs, and the other Services, and alternatives are presented to address significant programmatic issues. The individual programmer's task is to make warfighting effects, and the capabilities needed to achieve them, the drivers for resource allocation efforts. In most cases, the resources required by plans exceed the resources available. Programming can be viewed as a process of prioritizing programs, assessing and attempting to minimize risk, and analyzing programs in terms of their connectivity and ability to be executed.

The Program Objective Memorandum (POM)

The Program Objective Memorandum (POM) is the primary document used to submit Military Department (and Defense Agency) programming proposals to OSD. The POM includes an analysis of missions, objectives, alternative methods to meet capability needs, and allocation of resources.

The POM is used to develop proposed programs consistent with DoD and DAF guidance and to submit proposed programming. The POM is a multiyear plan that is organized within program categories (Major Force Programs from

Chapter 3), such as General Purpose Forces or Special Operations; and by type of resource, such as procurement or manpower. It provides for one budget year and four years beyond the budget year for cost and manpower.

Once the DAF POM is submitted to OSD, it is reviewed for compliance with priorities established in strategic planning documents such as the DPG and CCMDs IPLs. This review, known as the OSD Program Review and Budget Review, is discussed in more detail in chapter 9.

Beginning the POM Build: Extending the Baseline

Both the Air Force and Space Force begin the **Program Objective Memorandum (POM)** build by extending the **Program Baseline** into the new fifth year of the FYDP.

Baseline extensions are unique to the building of the POM and are usually completed prior to actual POM deliberations. Each year at the DAF level, the existing Program Baseline is expanded to include a new year of the FYDP by literally *extending* existing program content in the last year of the prior FYDP to the newly-added year of the next FYDP. For example, the program content in FY28 within the FY 24-28 FYDP becomes the basis for FY 29 within the FY 25-29 FYDP. The baseline extension process also means that, unless fiscal guidance is increased (more funds become available), every dollar within the DAF is already committed to an existing program – there are no "free range" dollar available at the beginning of the POM build. That baseline extended position then becomes the starting point for the next POM effort.

The baseline extension process will vary from year to year. What follows explains a "typical" baseline extension but the reader should reference the most current **POM Preparation Instruction** (PPI) for guidance applicable to the present POM.   Typically, the baseline extension will start with inputs from the Input Sources (MAJCOMs, FIELDCOMs, FOAs, DRUs, Centrally Managed Programs) and Program Element Monitors (PEMs) as validated by the Panels. Programs are first extended based on inflation adjustment rates provided by SAF/FM and then reviewed by the respective Service Corporate Structures for appropriate program content changes.

The baseline extension begins in PBES, where the last year of the prior FYDP is inflated using approved inflation factors from OSD to create a new fiscal year that is an inflation-adjusted version of that last year. Because this inflationary process assumes nothing has changed between fiscal years, the newly created fiscal year will likely contain errors. Air Force and Space Force Panels and PEMs are responsible for identifying these errors and making recommendations to adjust the new year to account for already-approved changes in investment programs (procurement, RDT&E, and MILCON). This is the heart of the baseline extension.

While extending the baseline, the Service MAJCOMs, FIELDCOMs, Panels and PEMs will also identify (but not yet fix) those programs that have not had program content (mission/function) changes but for which resources are not available to complete the mission. These programs are described as "broken." Programs may be short resources for the following reasons:

- Poor programming
- Database errors
- Cost changes out of line with normal inflation
- Rate change
- Corporate Structure restructuring of the program with incorrect total funding.

Associated with this baseline extension is the relationship with the DoD **Fiscal Guidance (FG)** given to the DAF. FG is in terms of Total Obligational Authority (TOA) derived from Presidential decisions about future DoD funding levels as estimated by OMB. When budgets are climbing in real (inflation adjusted) terms, fiscal guidance for any given year of the FYDP is likely to be slightly higher than it was in the previous year's guidance. This allows additional content to be inserted to the baseline. When budgets are in decline, fiscal guidance for a given year may be lower than in the previous year's guidance and there may not be funding available for all the content already in the baseline.

PEM Parades and Baseline Reviews

PEM Parades and Baseline Reviews are conducted at all levels within PPBE, including MAJCOMS, FIELDCOMs, and the Air and Space Staffs in preparation for the coming POM build. A PEM Parade allows Corporate Structure Panels (or Baseline Reviews, within MAJCOMs and FIELDCOMs) to become aware of potential issues within the assigned portfolio of PEs and to confirm the currency of funding requirements. Preparation for PEM Parades and Baseline Reviews is a demanding process, not only for PEMs but also for other program stakeholders (within functional communities, for example), because the information gathered during a PEM Parade or Review creates the basis for all subsequent Corporate Structure deliberations. The goals of each PEM Parade are to "skull" (prepare) the Panel Chair for Corporate Structure presentations; provide a thorough review <u>all</u> Panel programs; and identify potential end-game offsets.

As Panels progress through the PEM Parade process, background information (Parade slides, papers, supporting documents, etc.) is usually formed into a series of "Brain Books" (large binders) that are housed and maintained with the OPR for each Panel. Note this material becomes classified as SECRET once PEM Parade templates are populated.

Making It Balance: Prioritizing the Baseline

Once the baseline extension has been completed, MAJCOMs, FIELDCOMs and other Input Sources are normally directed to develop "balanced" lists of Disconnects and Initiatives. Input Sources, normally, are also allowed to "internally fix" Disconnected programs with Offsets provided from their own MAJCOM/Input Source portfolio. The submitted solution must "balance" – the total dollar value of Disconnects and Initiatives must be paid for by the submitted Offsets.

NOTE: in some POM exercises, due to the resource allocation environment at the time, the Air Force or Space Force may not allow Input Sources to submit Initiatives because of the challenging environment with very limited ability to fund "new" programs. Guidelines regarding submitting Initiatives are provided within each Service' annual POM

process document, the POM Preparation Instruction (PPI.) Note a separate PPI is issued by the Air Force and the Space Force.

MAJCOMs, FIELDCOMs, and other Input Sources brief their organizations' balanced solution to each Service' Corporate Structure. This process concludes when the DAF Council (4-Star level) reviewing these proposed solutions and making adjustments.

Note these Corporate Structure deliberations actions take place after the 4-Star Summarizing Event (formerly the Planning Choices meeting) has taken place earlier in the POM build. The 4-Star Summarizing event is designed to afford senior leaders the opportunity to review, and as necessary, make decisions that realign resources to meet Air Force priorities *across and/or within Core Functions*. Also, during this meeting the senior leaders may consider cross – MAJCOM or FIELDCOM adjustments to fund those Air/Space Force programs still requiring more funding.

POM Integration

Once program Disconnects and Initiative proposals have been submitted from Input Sources, the POM focus shifts process leadership to each of the DAF Service Corporate Structures. Deliberations during the 4-Star Summarizing event are designed to make major programming decisions that impact the entire DAF enterprise, thereby simplifying (hopefully) the follow-on work of the Corporate Structures. During this integration phase, additional issues are identified and further adjustments may be required. Detailed funding requirements are determined and final fiscal balance achieved. All adjustments are to be in accordance with senior DAF leader decisions during the 4-Star Summarizing event.

Disconnects

A Disconnect is an approved program (recall that any program in the baseline has been approved by the Service Chief and Secretary and by the SECDEF), or a portion of an approved program, that has become unexecutable because of a mismatch between its resources and the content approved by the SECAF and CSAF in the previous baseline.

Fixing Disconnects

Three actions are possible with a broken program:
1. Fund (requires resources)
2. Restructure (adjust program content)
    – Note: terminating the program is a form of restructure
3. Accept Risk (do nothing)

Note that Disconnects usually have priority as a Corporate Structure begins to validate requirements and apply resources. It is essential Disconnects are validated by the Input Source and Panel who own the program.

Program Initiatives

Program Initiatives are defined as either new starts or additions to existing programs due to program content or growth. Implementing the NDS, DPG and PPG may create the need to start a new program or increase resources to an on-going program. For example, Air Force Air Education and Training Command (Air Force MAJCOM) reports that pilots coming into a major weapon system directly from UPT are taking several additional rides to upgrade to mission capable status because they are deficient in formation flying. The AETC Commander decides it would make fiscal sense to increase the number of sorties these student pilots receive in UPT. This would require added UPT

resources and would be addressed as an initiative in the POM. Generally speaking, these programmatic changes occur during the POM cycle of the FYDP; however they are not limited to the POM. We will discuss in a later chapter the procedures for making changes inside the POM timeline (e.g. for this or the next fiscal year.) Program Initiatives can be either top-driven (direction of the President, SECDEF, SECAF, CSAF, CSO) or bottom up (MAJCOM, FIELDCOM, Air/Space Staff Functional (e.g. A2), PEM, etc.). All Program Initiatives must be validated (program content and mission/function must be accepted) by the functional Deputy Chief of Staff (DCS) and the corporate structure (Panel, Air or Space Force Group (AFG/SFG), Air or Space Force Board (AFB/SFB), DAF Council.

Offsets

Staying within OSD fiscal guidance is a must during the FYDP exercises. Fully funding Disconnects and Initiatives would well exceed the available TOA even in the best year. The DAF solves this problem by taking Offsets from existing programs of lower importance or programs where changing circumstances have made it prudent to accept increased risk. A program may be wholly offset (in essence terminated) or partially offset (as might be the case if we reduced by one the number of active duty F-16 squadrons). Offsets transfer resources from the baseline of the program being offset to pay for Disconnects and Initiatives. *Said another way, they take resources from less dear programs to pay for more dear requirements.* It should be noted here that a specific Offset is seldom applied to fund a specific Initiative or Disconnect. Instead, Corporate Structures will create a pool of Disconnects it wants to fund and prioritizes them from most to least dear. They next create a pool of Offsets, similarly prioritized. They will fund the list of Initiatives and Disconnects in priority order until the resources freed by the Offsets runs out or until the relative importance of the remaining Initiatives and Disconnects is lower than the importance of the Offset being given up as a funding source.

Offsets inevitably create program changes. Unrealistic Offsets – proposing Offsets that are clearly too dear to be considered (say, a proposal to close the Air Force Academy) – are a waste of a Corporate Structure's time and call into question the Panel Chair's credibility. Focus on the doable. "Radioactive" Offsets (cuts proposed to highly political or sensitive programs) may be realistic but will be the toughest to work. These Offsets must normally be worked well in advance with the potentially impacted parties to minimize political blow-back. Junior ROTC is an example of a radioactive Offset. "Peanut Butter Spreads" or "Salami Slices" are across the board percentage reductions to level of effort programs (base operating support, for example) that do not change the expectations of the program delivery (mission), but reduce the resources available to produce the capability are affected. These are the least desirable of all Offsets proposals but are routinely used in a typical POM build.

Sometimes resourcing an Initiative or Disconnect will free up resources elsewhere that can be used as an Offset. In the previous UPT example, increasing UPT sorties might reduce the number of more expensive sorties required by pilots training to fly a major weapon system. Recall, however, that at the Corporate Structure level, Offsets are not generally linked to Disconnects and Initiatives. In this case, the Air or Space Staff Panel would need to make sure the Offset remained linked to the Initiative. We could not reduce F-16 RTU sorties without the increase in UPT formation rides.

Balanced Program

OSD requires the DAF to present a balanced and affordable program at the end of each FYDP update. By having the summation of corporate supported Disconnects and Initiatives equaling the programmatic Offsets, the DAF keeps the program balanced to the OSD fiscal guidance. Remember the formula below:

> **D + I = O**
> **DISCONNECTS + INITIATIVES = OFFSETS**

Changing the Baseline

Programming is all about changing the baseline to replace less dear programs with more dear programs. There are two ways we can change the baseline during the programming phase. The first is through action of a Corporate Structure (Panels, Group, Board, or Council.) In a nutshell, the Input Sources (MAJCOMs, FIELDCOMs, FOAs, DRUs) bring forward their Initiatives, Disconnects, and Offsets for debate and adjudication. Those that are approved are input as changes to the baseline.

Note: For the current FY 25-29 POM exercise, the USAF has modified the POM procedures in an attempt to allow the Input Sources greater flexibility in addressing their internal programming requirements. For the FY 25-29 POM, Input Sources are allowed to use a Zero Balanced Reprogramming (ZBR) (see definition below) action to fund Disconnects and Initiatives within their own portfolios. It is hoped that this flexibility will allow Input Sources to address their own programming needs (Disconnects and Initiatives) without relying on HQ USAF. This adjustment hopefully will also reduce the workload at HQ USAF.

Zero Balanced Transfers

The second way a baseline can be changed within the programming phase is using a Zero Balance Transfer (ZBT). A ZBT is the method used to correct a program imbalance or ensure the executability problem. A ZBT is a zero-sum reallocation of resources within a single PE, and usually allowed where there has been a database error in a previous exercise. For example, a keystroke error resulted in dollars being taken from an enlisted personnel line when it should have come from the officer personnel line. The potential for such errors (the cost categories for officer and enlisted personnel are just one number different) is the reason PEMs should continue to check the database even after it is locked for changes. A ZBT is not to be used for reprogramming; a ZBT can put resources at risk because the corporate structure can disapprove the transfer and take the resources offered to be transferred. Check the PPI for specific ZBT procedures.

Zero Balanced Reprogramming

Zero-balanced transfers should not be confused with zero-balanced reprogramming, which refers to the practice of funding a Disconnect or an Initiative with a dedicated Offset *from the same portfolio*. ZBRs allow PPBE practitioners – Input Sources and/or HQ USAF Panels – the ability to "fix" their own Disconnects and address their own Initiatives by paying the bill with a specific Offset from their own portfolios.

NOTE: rules on when and how Initiatives and Disconnects are considered can change from year to year. **Recommend all PPBE practitioners review the current Air or Space Force POM Preparation Instruction (PPI) for each specific POM effort.**

Chapter 7: Department of Air Force Corporate Structures

Introduction

"Corporate structures" provide a forum for considering and deciding Department of Air Force resource allocation issues. The Air Force Corporate Structure is the corporate review process for both the U.S. Air Force and Department of the Air Force (DAF), and the Space Force Corporate Structure is the corporate review process for the Space Force.

Each Service within the DAF maintains its individual corporate review processes and upon completion, the products of each Service are merged to form the final DAF product (such as a final DAF POM or BES.) Currently, Air and Space Force corporate processes are highly similar but not identical, and there is no requirement for the two Services to maintain similar processes going forward. Because the Programming process within PPBE is not statutory (not required by law), programming processes and structures can be modified to best suit the current organization, environment, or process needs. Membership in corporate structure bodies consists of civilian and military personnel assigned to the Air Staff, Space Staff, or DAF Secretariat, MAJCOMs (USAF) and FIELDCOMs (USSF.)

The Air and Space Force Corporate Structures

Both the Air and Space Force Corporate Structures, as illustrated in Figures 7-1 and 7-2 below, are designed to enhance and facilitate the corporate decision process. This is done in a number of ways. First, the Corporate Structure increases stakeholder involvement in decision-making. Second, decision-making is enhanced across functional areas. Third, participants focus on the process rather than the organizational structure. In addition, it facilitates involvement across the entire DAF, enhancing institutional buy-in to decisions.
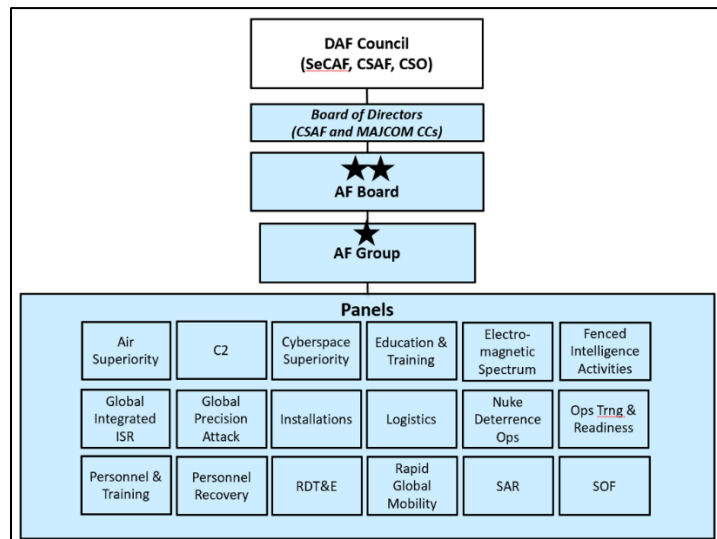

**Figure 7-1. The Air Force Corporate Structure**
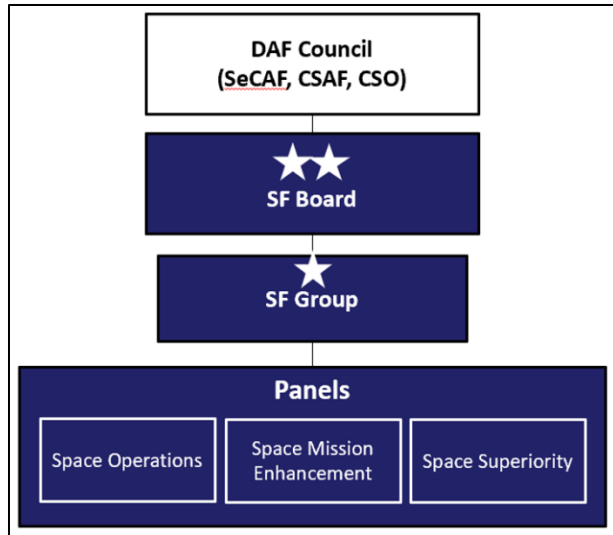
Figure 7-2. The Space Force Corporate Structure

Functional Organizations

Certain organizations within both the Air and Space Force have significant responsibility in the resource allocation process:

For *Planning processes,* AF/A5 is the Air Staff focal point for strategic planning and requirements. SF/S5/8 is the Space Staff Chief of Strategic Resources Office.

For *Programming processes*, AF/A8PE is the central point for Air Staff programming. SF/S8N is the central point for Space Staff programming.

SAF/FM is responsible for managing the budgetary process for the Department of the Air Force. SAF/FMP integrates, submits, and defends the DAF POM. SAF/FMB transitions the DAF POM into a DAF Budget Estimate Submission (BES) and oversees its execution.

Air Force Panels

The Air Force Panel system currently consists of 18 panels:

Air Superiority	Logistics
Command and Control (C2)	Nuclear Deterrence Ops
Cyber	Ops Training and Readiness
Education and Training	Personnel and Training
Electromagnetic Spectrum	Personnel Recovery
Fenced Intelligence Activities	RDT&E
Global Integrated ISR	Rapid Global Mobility
Global Precision Attack	Special Access Requirements (SAR)
Installations	Special Operations Forces (SOF)

Space Force Panels

The Air Force Panel system currently consists of 3 panels:
1. Space Operations
2. Space Mission Enhancement
3. Space Superiority

Note: because the Programming process within PPBE is not required by law, it can and often is modified from year to year, including the number of Panels or business rules used by a Corporate Structure. PPBE Practitioners should refer to the latest POM Preparation Instruction (PPI) or consult with either AF/ A8PE or SF/S8N for process updates.

Input Sources

"Input Sources" are also significant participants in resource decision-making. Input Sources are Major Commands (MAJCOMs), FOAs, DRUS and centrally managed programs within the Air Force, and Field Commands (FIELDCOMs), FOAs, and DRUs within the Space Force. Within both Services, Input Sources were created to represent a field-level, capabilities and function perspective (as opposed to the Panels, who provide real-time process expertise.)

Roles and responsibilities between the Panels and Input Sources have not always been well-defined and were frequently agreed upon between the Panels and Input Sources themselves, which did not always produce consistent inputs to higher levels of the Corporate Structure. The POM Preparation Instruction (PPI) usually clarifies expectations of each.

Creating POM Proposals: Roles and Responsibilities

All entities within PPBE (Panels, Input Sources, and other stakeholders) begin their resource allocation process by conducting baseline reviews of the programs contained in their portfolios. For a Panel, this review is often referred to as a "PEM Parade", but similar reviews are conducted throughout the Air and Space Forces at the beginning of each POM exercise. Each sub-organization will identify initiatives, disconnects and offsets – for the MAJCOMs and FIELDCOMs, this is the focus of their "1 to N List" submission.

For recent POMs, Panels have primary responsibility for formally developing options to be presented to higher levels of the AFCS, starting with the Air Force Group (AFG) or Space Force Group (SFG.) This means Input Sources must conduct initial requirements and costing research and forward proposed resource options to the Panels. Panel Chairs are primary briefers to the AFG or SFG and prepare an initial briefing for that details the Panel portfolio. The AFG or SFG in turn issues fiscal constraints to the Panels based on DAF TOA and existing guidance.

Panels also prepare Zero Balance Transfer (ZBTs) and other minor programmatic changes. Input Sources contribute core function expertise and Panels contribute process expertise, with real-time knowledge of corporate deliberations, access to PBES data, presentation format requirements, and process "situational awareness." Additionally, the Panels assess and provide comments to OSD guidance during OSD Program and Budget Reviews, and they analyze and assess all programs and program elements vice Integrated Priority Lists (IPLs). Both Input Sources and Panels work together to develop fiscally constrained options and present a "balanced" (within fiscal guidance) portfolio to the AFG or SFG in an effort to "get to the bottom line" (GTBL.)

The Air and Space Force Groups (AFG and SFG)

For both the Air and Space Force, the AFG and SFG are the next level of decision-making above the Panels and Input Sources. Each body provides senior-level (0-6 and equivalent) decision-making on significant issues. A Group's key function is to provide the initial corporate-level review of the integrated Air or Space Force program. In addition to this responsibility, Groups also review options in light of guidance, review and confirm cost, schedule and completeness of program options, and consider whether initiatives meet core competencies or requirements.

The Air Force and Space Force Boards (AFB and SFB)

The AFB and SFB are the next level of corporate decision-making. Members are one and two star or equivalent functional representatives. Each Board resolves issues brought to it by its corresponding Group, as well as providing input back to that Group for further review. Board issues are refined and integrated for final submission to the Department of Air Force Council (DAF Council).

The Department of Air Force (DAF) Council

The DAF Council is the top-level decision-making body. Members are Deputy Chief of Staff (DCS) and Assistant Secretary level with selected Directorate participation. The DAF Council reviews Air and Space Force plans, objectives, and policies. It provides senior leadership recommendations that reflect a *single, DAF-level* POM to the Chief of Staff of the Air Force (CSAF), Chief of Space Operations (CSO) and the Secretary of the Air Force (SECAF.)

Interaction of Corporate and Functional Processes and Operational Concepts

The headquarters functional staff is responsible for the daily activity within the Air Staff, Space Staff and Secretariat. Functional staff members become involved in the corporate structure through their involvement at one of the levels just described. Part of the role of corporate structure participants is to provide their unique perspective regarding the issues with which they are involved. This allows the cross-functional vetting of major issues and avoids a stove-piped process. Additionally, both MAJCOMs and FIELDCOMs play a significant role in deliberations.

It is important to understand the Corporate Structure's role in decision-making is an advisory one only. Decisions made in the Corporate Structure serve only as recommendations and are not binding. In addition, findings of the Corporate Structure do not usurp the authority of functional decision-makers. Only the CSAF, CSO and SECAF and their subordinates have binding decision-making authority.

The Corporate Structure is designed to maintain a process streamlined and accountable while increasing corporate participation and review. The process is designed to be open and inclusive. The Corporate Structure serves as the forum for the resolution of major issues affecting the entire DAF. Not every proposed issue goes through the Corporate Structure—only those significant enough to need an Air Force-wide decision. Ultimately, it helps the DAF develop unity of support for final decisions to strengthen and clarify positions provided to OSD.

Chapter 8: Building and Justifying the Air Force Budget

Introduction

The PPBE cycle produces *two* distinct budget requests. The final product is the President's Budget request annually submitted to Congress, but each military service and agency within the Department also produces its own budget request for consideration by OSD. This military service/agency budget is known as a BES – a budget estimate submission – and is typically submitted to OSD in the late summer or early autumn each year. Both budgets are discussed in this chapter.

The President's Budget (PB) recommendation to Congress is assembled by staff in the Office of Management and Budget (OMB). OMB initiates this process every year in time to submit the PB to Congress in early February, following the President's State of the Union address at the end of January. To generate the PB, each Federal Department or Agency prepares a budget in accordance with OMB Circular A-11 and the fiscal guidance issued annually by OMB. Fiscal guidance includes the total obligational authority (TOA) each Federal department or agency should use for future planning purposes (also known as "topline"), and any other funding constraints or allocations, such as assumptions on outlay rates.

OMB Circular A-11, Preparation, Submission, and Execution of the Budget, provides an overview of the OMB budget process under which the Defense Department operates. It discusses the basic laws that regulate the budget process and defines all budget-related terms and concepts. The circular covers development of the President's Budget, including explanations of how to prepare and submit materials required for OMB and requests for presidential review of an agency. OMB Circular A-11 also details the formulation of the budget, including development and submission of performance budgets.

The DoD Financial Management Regulation incorporates and complies with OMB Circular A-11. Upon receipt of its fiscal guidance from OMB, the Defense Department allocates this "topline" to each of the defense services and agencies through the Under Secretary of Defense, Comptroller (USD(C)). Services and agencies then develop a full plan of how funding will be used in future years and submit this plan back to USD(C) in a formal Budget Estimate Submission (BES). The USD(C) reviews each input during a formal budget review, consolidates all inputs into a single defense budget, and submits this budget to OMB.

The budget data in each BES is based on the programs and fiscal guidance contained in the Program Objective Memorandum (POM) and covers the same fiscal years. DoD departmental guidance for general preparation of a BES is provided in DoD Financial Management Regulation (DoD FMR) 7000.14-R, Vols. 2A & 2B. More specific guidance is included in DoD's annual fiscal guidance and budget call.

Although the POM and BES address the same fiscal years, the nature of each package is very different. The POM focuses on identifying how programs help achieve the mission and long-term objectives. The POM also forces resource choices on the basis of capability and programmatic need, with cost an important but not primary decision factor.

The BES, in contrast, assumes program choices made in the POM are valid and fixed, and focuses instead on applying accurate pricing factors, such as inflation, foreign currency, fuel rates, and pay raise percentages.

These key differences between the POM and the BES are summarized in table 8-1.

Programming	Budgeting
Is built primarily by *program element*	Is built primarily by *appropriation*
Is an *OSD*-developed process	Is a *Constitutionally*-developed process
The process *differs greatly* depending on Service and Agency	The process is largely *the same* regardless of Service or Agency
Requires tools *internal* to DoD (PBES, TriCharts, OSD databases)	Requires tools *external* to DoD (exhibits, J-Books, OMB databases)
Targets DoD audiences	Targets non-DoD audiences

Table 8-1. Programming and Budgeting Process Comparison

Developing the Defense Department Budget Estimate Submission (BES)

The BES is, in theory, simply a re-price of the POM. Programmatic decisions should be settled in the POM, leaving the BES as a pricing and budget exhibit development exercise. Reality can be much different. As sufficient funds are rarely fully available to satisfy all requirements identified in the POM, the POM leaves the BES with a basic problem of economics: the demand for dollars exceeds the supply of dollars. Tough decisions must be made, and that decision-making process requires constant review of programs beyond the programming window. These programmatic "revisits" have also become more frequent in recent years, when fiscal guidance issued to the Defense Department has been modified mid-process. Although program *priorities* established during the POM process may stay the same, the *price* of those priorities often shifts during budget formulation and must be recalculated.

Budget Output: Budget Exhibits

Each BES package consists of several different budget "exhibits," organized by appropriation and each identifying different detailed financial data. For example, one exhibit may focus on training costs while another exhibit addresses staffing levels. Some exhibits will reflect a single fiscal year's worth of data, others (particularly for more complex procurement and research programs) will reflect all FYDP years. Exhibits are referred to both by formal name (i.e. "Summary of Price and Program Growth") and number (i.e. "OP-32") and when integrated into a single package, include several thousand pages worth of data.

Regardless of appropriation, most budget exhibits contain similar information (Note: different budget exhibits may use different titles to describe similar information:)

1. First, each budget exhibit normally contains a written general description of the programs and operations within a given appropriation. This "force structure summary" provides a summary level tutorial of the nature of funded programs.

2. Second, each budget exhibit more specifically describes what programs and operations are funded within the *current* budget request. For example, the "description of operations financed" data within the FY24 budget identifies and discusses what programs, activities, and resources are needed within fiscal year 2024.

3. Third, and most importantly, each budget exhibit must explain any changes between the previous budget request and the current budget request. This "reconciliation of increases and decreases" acknowledges the annual nature of Congressional legislation even though the Defense Department will refine each fiscal year multiple times as it moves forward in the FYDP. This means that each budget exhibit *must* begin with exactly the same monetary

request identified in the previous budget request and then display and explain the increases and decreases that result in the updated budget request.

The DoD Financial Management Regulation identifies which exhibits are required and how to prepare them, and there are often several dozen (and thousands of pages) contained in each package. Comptroller personnel within each military service and agency are responsible for reviewing and assembling approved POM decisions into these budget exhibits (note: by law, the budget request from each agency must be a Secretariat product.)

The Secretary of each military department and agency formally prepares and submits the final BES package OSD, who in turn will review these exhibits during its Program Budget Review activities in the autumn of each year. OSD-suggested modifications to military service/agency BES' are identified in "Budget Decision" documents, then incorporated into an integrated Defense Department package submitted to OMB for inclusion in the President's Budget (see chapter 10 for more information about the OSD Program Budget Review process.)

Another Budget Output: Justification Books (J-Books)

The budget exhibits prepared by DoD for OMB are compliant with the Circular A-11 guidance issued to all federal agencies. However, this means that many DoD budget exhibits reflect only the basic information requested of all federal agencies. Given the Defense Department is seven times the fiscal size of the next largest federal agency, supplemental information about DoD programs and funding is also required.

In addition to budget exhibits, the Defense Department must prepare Justification Books, or "J-Books." J-Books provide additional background information to Congress regarding DoD budgetary actions – they are the "budget exhibits we would have designed for ourselves." The J-Books are written at the appropriation level, with J-Books for Operations and Maintenance (0-1) funding, Procurement (P-1) funding, etc. Developing J-Books is a follow-on process to the BES and PB and takes considerable effort. However, the better job the Defense Department does in preparing its J-Books, the more time can be spent discussing specific program details with Congress and less time spent providing general background and educational material.

The Budget Process: Summary

As discussed throughout this chapter, the budget formulation process is very similar throughout DoD, because the requirement to prepare a budget comes from a common source: the Office of Management and Budget. All budget submissions – internal and external to the Defense Department – must follow the same guidelines, which has a very standardizing effect on formulation process. Budget exhibits prepared by one department echelon are forwarded, reviewed and discussed by a higher echelon in a similar manner each time.

Chapter 9: OSD Program Review and Budget Review Processes

For most of PPBE history, DoD Components submitted a POM and BES in separate, sequential processes and OSD Program Reviews and Budget Reviews were also separate and sequential. From calendar years 2001 to 2014, Components were direct to combine the POM and BES products and submit them to OSD simultaneously, followed by an integrated and concurrent OSD Program and Budget Review. Both the sequential and concurrent Review models have been used since 2014. For the FY24-28 Review cycle (calendar year 2022), OSD conducted a concurrent but staggered Program Review and Budget Review, with the two reviews slightly overlapping in the September and October 2022 timeframes.

The Program Review is conducted after POMs are submitted to OSD (for the FY 24-28 POM exercise, Component POMs were due to OSD on July 15 2022.) Program Decisions (PD) are issued from OSD CAPE to Components to direct any "programmatic changes." Components (to include the USAF and USSF) programs will then be so adjusted.

While the Program Review is ongoing, all Components will proceed with their Budget Estimate Submission (BES) exercises and OUSD Comptroller then conducts the Budget Review (for the FY 24-28 exercise, the DAF BES was due to OSD on August 29 2022.) If any budgetary changes are required, those changes will also be issued via Budget Decisions (BD) and released to the Components.

Terminology Clarification:

- "Resource Management Decisions (RMDs)" were introduced into the OSD review process in 2009.
- Effective 2016 RMDs were replaced by "Program Decision Memoranda (PDMs)", which were generated by the OSD Program Review, and "Program Budget Decisions (PBDs)", which were generated by the OSD Budget Review.
- For the FY 22-26 and FY 23-27 Program Reviews and Budget Reviews, the OSD directive documents were called Program Decisions (PD) for program changes and Budget Decisions (BD) for budget changes. This remains true for the FY 24-28 Program Review and Budget Review.

The outcome of the OSD Program Review and Budget Review is OSD-directed changes to Component POM and BES positions. These changes can be based on several factors, from failure to follow Joint or OSD-level strategic guidance to changes in the global environment, to changes in resource strategy. While all Program Review and Budget Review decisions are ultimately made by the SECDEF or DEPSECDEF, the process is facilitated by several OSD governance bodies. The Resource Management Group (RMG) (formerly the PRMG and before that the 3-Star Programmers Group), the OSD Comptroller, and the Deputy's Management Action Group (DMAG) support the SECDEF in the Program Review and Budget Review processes.

The DMAG, chaired by the Deputy Secretary of Defense (DEPSECDEF), assists in making major program decisions. The Deputy Service Secretaries and the Vice Chiefs/Vice CNO are members of the DMAG. The Services' lead programming offices (USA G8, DAF A8 and S8, DON N8) are members of the RMG. The RMG, chaired by the OSD Director of Cost Assessment and Program Evaluation (CAPE) and supported by the Comptroller, is responsible for screening and developing review issues for presentation to the DMAG. In addition to the OSD governance bodies discussed above, the SECDEF's Secretary's Leadership Council (SLC) may get involved in adjudication of certain POM issues.

OSD Issues and Issue Papers

The focal point of the Program Review is an "issue." Once each Component has submitted its POM to OSD and OSD has incorporated those inputs into its database, that database – which now reflects POM issues throughout the entire DoD – are released for review to the entire Department. As a result, some organizations (including OSD) may "*take issue*" with resource choices made by other organizations. For example, a Combatant Command may take issue with the POM choices made by one of the Military Departments. Similarly, any office within OSD may feel that a Military Department or Defense Agency has not sufficiently complied with guidance or policy and may take issue with that noncompliance.

Any organization that wants to identify a potential issue (from their perspective) may write a formal *issue nomination* highlighting the perceived discrepancy, problem or alternative viewpoint. Many different stakeholders can develop topics for consideration as issues, including OSD offices (CAPE, Comptroller, and others), Combatant Commanders, other Defense Agencies, and the Military Departments. The issues are based on the OSD DPG studies, USD papers, DPG compliance issues, fiscal guidance issues, and any myriad of other reviews that may be underway (such as the National Security Strategy). OSD CAPE, after reviewing the issue "nominations" outlines and coordinating with other interested parties, will select those *programmatic* topics on which issue papers will be written and will designate lead organizations – known in the past as issue teams - to prepare the papers. The number of issue nominations permitted can vary from cycle to cycle but is generally quite limited.

Updates to the FY24-28 Program Review and Budget Review Process

For the FY24-28 Program Review and Budget Review (calendar year 2022), OSD significantly modified the PBR process. OSD retained the "bottom up" issue nomination process but significantly limited a Component's ability to submit Issue Nominations. For the FY24-28 PBR, Combatant Commands and the "fourth estate" (other elements of the OSD Staff) were limited to three (3) Issue Nominations. The Military Departments were not limited by number of Issue Nominations but were limited to Issue Nominations explaining noncompliance to Strategic Guidance only. Another difference is that Issue Nominations from the Combatant Commands and fourth estate were discussed via the Resource Management Group for review and adjudication while those Issue Nominations from the Services were reviewed and adjudicated by the Program Review Teams (formerly Issue Teams).

Correspondingly, the DAF now uses the term "Program Review Teams (PRTs)" in lieu of "Issue Teams." The role of the DAF PRT is essentially the same as the "legacy" Issue Teams: to interface with the OSD PRTs.

Another new feature of the FY24-28 PBR is a "top-down" element in which OSD determined what issues/programs/mission areas were to be reviewed in the Program Review and Budget Review. These actions were tied to "Focus Areas" previously identified SECDEF and DEPSECDEF. Selected actions, either programmatic or budgetary, were initially reviewed by the Resource Management Group (RNMG) and if necessary, were elevated to the Deputy's Management Action Group (DMAG.) As in previous PBRs, programmatic and budgetary changes directed by OSD were released in either Program Decisions (PD) or Budget Decisions (BD).

This "Bottom Up and Top Down" process is depicted in figure 9-1. Table 9-1 identifies FY24-28 PBR Focus Areas.
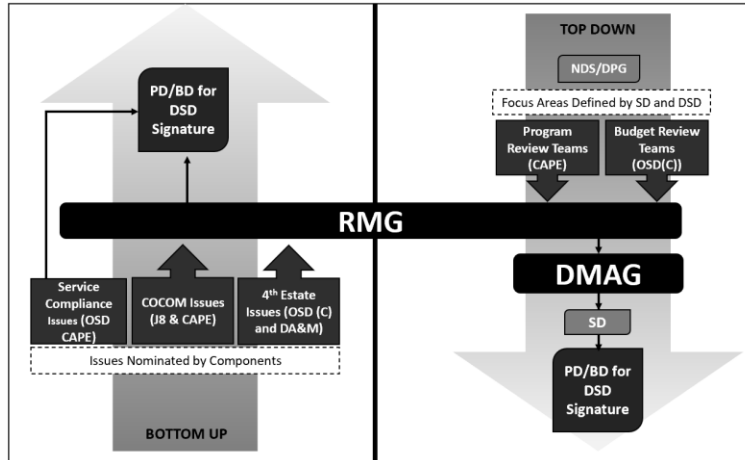
Figure 9-1: FY24-28 PBR Top Down and Bottom Up Perspectives

C2	Enduring Advantages
Budget Review	Fires
Campaigning	Homeland Defense
Climate	ISRT
Cross-Cuts	Logistics
Cybersecurity and IT	Nuclear Forces
Defense/Resiliency	Program Review
	Readiness/Training

Table 9-1: FY24-28 PBR Focus Areas

Another Issue Source: The Chairman's Program Assessment (CPA)

Title 10 United States Code gives the CJCS a specific responsibility to advise the Secretary of Defense regarding program recommendations, and to submit alternatives. The CPA is the tool the CJCS uses to perform this duty. The CPA becomes a "report card" on the Combatant Commander's requirements, and the Chairman's perspective regarding program balance and adequacy. Within the CPA, risks with warfighting capability are assessed and alternatives are developed if required. The CPA is also a likely potential source for OSD PBR issues, as it is produced shortly after (and based on) Service POM submissions in the late summer timeframe.

OSD Issue Teams

Program Review Teams. Based on likely "issues" – those areas of interest and potential change to the Air or Space Force POM submission – specific OSD Offices are designated to lead the evaluation of the issues as selected by their leadership. The lead office(s) for each issue names a staff member (a GS-15 typically, in some cases an SES) to head a team that then reviews the issue and develop alternatives for decision. These Program Review Teams also draw membership from the Joint Staff and each of the Military Departments and Defense Agencies.

Issue Development. Once issues "nominations" are identified and formally approved, they are carefully vetted through the OSD-led Program Review Team. The DAF also has its own issue response process for coordinating responses and inputs to OSD issue teams, discussed later in this chapter. Frequently, Component issue teams are

formed even before their POM is submitted to OSD, based on known potential issue areas or in response to OSD identification of its planned issue teams. Component issue defense is developed by its respective Program Review Teams as the issue is being fleshed out by the OSD team. Component Program Review Teams are responsible for researching and developing both written responses and presentation materials that explain and support that organization's POM position.

Each OSD Program Review Team assesses the issues assigned to it and develops alternatives for decision. OSD Program Review Team leads work with Component Program Review Team members to formulate and present their team's position on the assigned issues and keep their senior leadership informed throughout the process. Generally, the total number of alternatives should not exceed five for any single issue. The alternatives selected should represent a balanced and affordable set of solutions; the strengths and weaknesses of each alternative should be evaluated in the Program Review Team's presentation.

Issue Briefings. Program Review Teams brief their proposed alternatives and solutions. The Resource Management Group (RMG) may ask PRTs with issues that are complex to prepare issue papers or separate briefings on discrete parts of the issue. Follow-up briefings to the RMG presents the results of the PRT's work. The RMG determines if the issue is appropriate for presentation to the DMAG for decision. Where further work is needed, the RMG will provide appropriate guidance to the issue team.

The RMG validates and resolves issues at their level when possible. Depending on the issue, the DMAG may request briefings on any issue or from any team, or may restrict briefings to only issues that remain unresolved at the RMG level. NOTE: In recent years the DMAG has been very active reviewing submitted issues.

OSD Issue Team Actions During OSD Reviews

The primary goal of each OSD PRT is to research and identify issue solution as soon as possible through coordinated input from all team members. PRTs (both OSD-led and Component-specific) will research and discuss Program Review issues informally for a short time after Military Department and Defense Agency POMs are submitted and briefed to OSD, but any issues that cannot be resolved will escalate to a higher level in the form of more formal OSD proposed changes: draft Program Decisions or draft Budget Decisions.

DAF Actions During OSD Reviews

Program Review issues are carefully vetted through throughout the DAF and issue responses are coordinated to prepare the DAF position on the major issues. DAF Program Review Teams (PRTs) may be formed even before the POM is submitted to OSD, based on known potential issue areas or in response to OSD identification of its planned issue teams. Each issue is assigned to a DAF Issue Lead, usually a colonel or civilian equivalent, who serves concurrently on the OSD issue team and the DAF Program Review Team. This issue defense is developed by the DAF team as the issue is being fleshed out by the OSD team. DAF Program Review Teams are responsible for researching and developing both written responses and presentation materials that explain and support the DAF POM position.

Program Decisions and Budget Decisions

The issuance of Program Decisions and Budget Decisions signals the final phases of programming and budgeting activities within PPBE. The number of Program Decisions (PD) and Budget Decisions (BD) can vary greatly from year to year. (For reference purposes, in past years there were typically at least two PDs issued and sometimes as

many as four, and over a dozen BDs. Program and Budget Decisions require Components to change their programs, but often do not identify sources for the resources required to do so. *That responsibility – to generate Offsets - is generally left to the impacted Component.)*

Unlike the informal issue team discussion early in the Program Review, Component response to Program Decisions and Budget Decisions is significantly more formal and allows less time for preparation. Once a draft Program Decision or Budget Decision is issued – either by OSD CAPE or OSD Comptroller, depending on the issue nature – the DAF usually has between 48 and 72 hours to provide OSD with its formal response. During this short window, the DAF must inform affected stakeholders of the draft Program Decision or Budget Decision, issue teams must develop a draft response, the AFB (or SFB, depending on the issue) must review and make a formal recommendation to SECAF, CSAF, and CSO, and a written memo must be prepared and returned to OSD. There are three possible responses to a "draft" Program Decision (PD) or Budget Decision (BD): Accept, Accept with Comment or Reclama. Success during this short timeframe depends highly on how well-prepared and postured each issue team is prior to final Program or Budget Decision issuance.

Once the DAF has responded to an OSD draft Program Decision (PD) or Budget Decision (BD), DEPSECDEF recommends and SECDEF approves a final course of action. SECDEF actions are provided to impacted Service(s) and agencies via a <u>signed</u> Program Decision or Budget Decision. Signed Program Decisions or Budget Decisions are digested by DAF Program Review Teams, AF/A5/8, SF/S8N and SAF/FM, briefed to the DAF Council, and entered into the DAF database (PBES), to affect the actual decision.

Figure 9-2 represents the entire flow of the OSD Program Review and Budget Review processes.
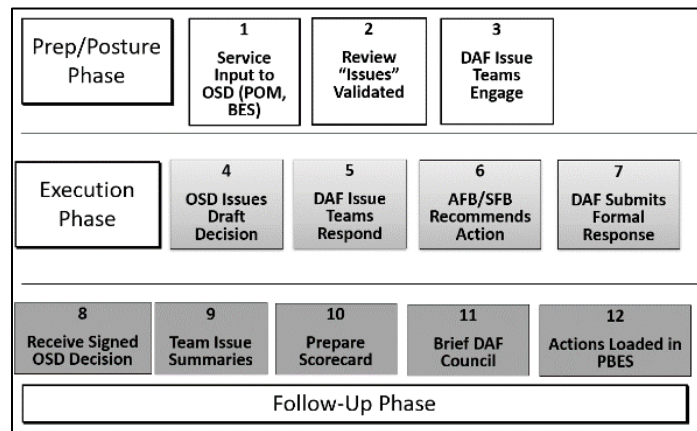
Figure 9-2. DAF Process for OSD Program and Budget Reviews

The President's Budget (PB)

After the OSD Review processes are complete, it is time to assemble the PB. The Justification Books (J-Books) now become top priority. As with DAF J-Books, OSD J-Books are written at the appropriation level (e.g., O&M, Procurement, RDT&E). Our audience is no longer OSD/OMB, but Congress. All program growth must be fully justified, and accuracy is paramount.

Once the J-Books finish a Security Review, the budget is ready for presentation to Congress the first Monday of February. This is done through Press Conferences and "Staffer Days", when DAF leaders, subject matter experts,

and legislative support personnel visit the members of the key committees in the House and Senate for briefings and discussions on the PB.

Chapter 10: Building the Budget (Legislative Branch)

Introduction

Congress "controls the purse strings" and thus plays an important role in the success or failure of any defense program. Knowledge of Congress and Congressional policies is essential to running a successful program and building an effective budget request.

The Defense Budget Process

Congress is responsible for raising and supporting the armed forces of the United States. The main way it exercises this responsibility is by reviewing and acting on the annual defense budget. The overall U.S. resource allocation process has three principal segments: the defense budget request by the Executive branch, the Congressional defense budget process, and budget execution. The Defense Department has the greatest amount of involvement with Congress during the second segment of the process, the Congressional defense budget process.

Leading Committees in the Congressional Defense Budget Process

Congress is run by committee. The congressional defense budget process is dependent on the following key committees for the bulk of each year's efforts as shown in Table 10-1 below.

Key Senate Committees and Products
Budget Committee — Budget Resolution
Armed Services Committee — Authorization
Appropriations Committee — Appropriations
Key House of Representatives Committees and Products
Budget Committee — Budget Resolution
Armed Services Committee — Authorization
Appropriations Committee — Appropriations

Table 10-1. Key Congressional Committees in PPBE

The Congressional Defense Budget Process

Congressional action on the Defense budget is a three-step process following a timetable established by the Congressional Budget Act of 1974, as amended by the Balanced Budget Act. The congressional defense budget process has three distinct elements: the Concurrent Budget Resolution, the Authorization process, and the Appropriations Process. Refer to Figure 10-1 for a full-page chart detailing the flow of the congressional defense budget process.
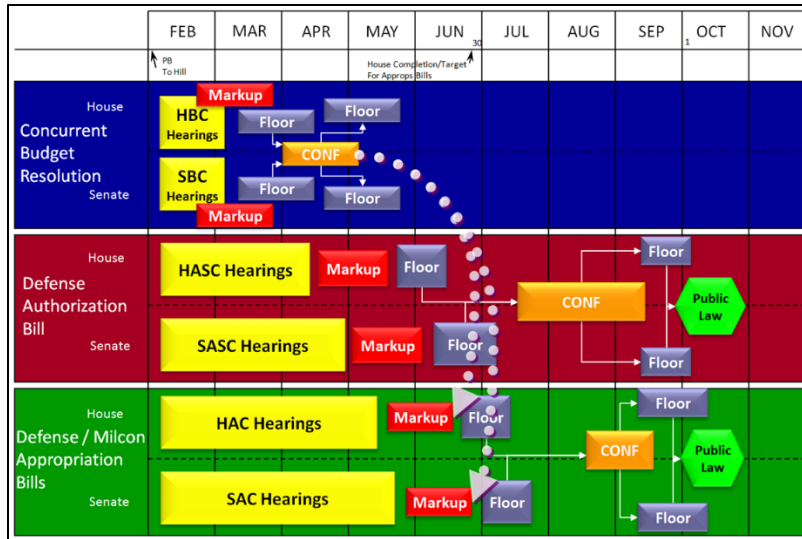
Figure 10-1. Congressional Defense Budget Process

Concurrent Budget Resolution (CBR)

The first formal action taken by Congress is establishing a ceiling on funding for national defense programs in the Concurrent Budget Resolution (CBR.) The CBR establishes revenue targets and sets ceilings on budget authority and outlays for the entire Federal budget. As a result of the CBR, spending allocations are made to the appropriations committees (and to the subcommittees.) The CBR is to be completed no later than April 15 of each year. No final decisions on spending priorities are made at this time.

Authorization Process

In formal terms, authorization acts provide the legislative authority to establish or maintain a government program or agency and to eventually appropriate funds. Authorization bills prescribe policy issues and changes to existing laws. Authorization acts define the scope of programs and authorize funding levels for programs either in terms of specific amounts or for "such funds as may be necessary" to implement the program. Authorization does not create budget authority (does not specify total funding levels.) Steps in the process include:

- Hearings
- Mark Up
- Floor Action
- Conference Committee
- Final Floor Vote
- Presidential Action

Appropriations Process

The appropriations process provides the necessary budget authority (funding) to fund defense programs. The bulk of defense funding is provided via three regular appropriations acts:

- DoD appropriation
- Military construction appropriation
- Energy and water appropriation

In each Congressional chamber, the relevant appropriations subcommittees hold hearings to review the President's defense budget request, and to mark up the defense appropriations legislation before passing it to the full appropriations committee for markup. The process then follows the same steps as the authorization process: hearings, floor action, conference committee, floor vote, presidential action. (For annual appropriations, Congress must pass new appropriations acts every year. Permanent appropriations, in contrast, are made in substantive legislation, and make funds available each year without new action by Congress.)

Types of Appropriations Acts:

There are three significant types of Appropriations acts:

Regular Appropriations Acts.

Three regular appropriations acts provide the majority of defense funding (see above).

Continuing Appropriations Resolution. If Congress fails to pass all of the regular appropriations acts by the beginning of the fiscal year (1 October), the DoD (and other affected agencies) can be left without funds to continue operations. To avoid the disruptive effects of these occurrences, Congress passes continuing appropriations legislation to provide "stop-gap" budget authority. Stop-gap authority provides funding for a specified amount of time at levels be equal to (1) the prior fiscal year, (2) the President's requested level for the coming fiscal year, or (3) the level approved by the House or Senate. This funding is restricted, notably by the fact it cannot be used to start new programs. In some years, continuing appropriations resolutions are used to provide funding for the full-year, taking the place of a regular appropriations act.

Supplemental Appropriations Act. Used by Congress to appropriate funds to cover unanticipated expenditures during the current fiscal year in response to a request by the Executive branch.

The Role of Congressional Language

Three primary types of language impact Resource Managers and their programs. "**Public Law Language**" is found within the text of a law—it is the law of the land, though it is often indefinite and lacking in detail. "**Report Language**" is contained within congressional reports describing committee intent, direction, and recommendations. "**Bill Language**" is any language found in a bill, from its inception through mark ups and amendments to conference and final votes. Of the three, Report Language is the most relevant.

Report Language often provides the details to a piece of legislation, signaling the intent of Congress. Report Language is derived from reports issued in the wake of legislative or oversight hearings and is an explanation of committee markup action. These reports often contain suggestions and recommendations on the implementation of Public Law Language. The language within records why the legislation was passed. It also illuminates committee

sensitivities, intent, and rationale. Technically, Report Language is not law but it is generally accepted as binding on the DoD.

Program stakeholders must be aware of Report Language that mention program(s) directly or indirectly. Report Language can dictate the following:

- Whether programs have changed
- How changed programs are expected to proceed
- Studies or analyses needing to be performed (and reported back to the committee).
- Whether the release of funds is contingent on the DoD completing some designated action
- Whether a program is designated as a **Congressional Interest Program (CIP)**

A Congressional Interest Program means the program has received special attention from one or more Congressional committees, a status precluding the DoD from reprogramming funds into or out of the program without prior Congressional notification and approval.

Congressional Hearing and Testimony

A hearing is a formal committee meeting scheduled and convened by the committee chair to receive testimony from government and non-government witnesses. Witnesses from the private or public sectors appear before the committee to testify. Hearings can be open or closed and can occur anywhere, though nearly all occur on Capitol Hill. Hearings are used to support the drafting of legislation, develop background or reference material, and provide direction and guidance to federal agencies.

The Defense Department typically begins interaction with the congressional hearing system during the Defense Budget process when it presents the Defense Department's **Annual Posture Statement**. Defense Department and other DoD programs are justified during authorization hearings, and the budget authority to support these programs is justified during appropriations hearings. The Defense Department Posture Statement is produced annually and serves two primary purposes:

- The development, coordination, and articulation of the Defense Department's position on current issues and key programs, and
- The management of the preparation and support of the annual congressional testimony provided by DoD senior leaders.

SECDEF and JCS present the OSD Posture Statement in testimony before the Authorization Committees (HASC and SASC) and the Defense Appropriations Subcommittees (HAC and SAC). Other key DoD officials will follow with their own testimony before subcommittees to amplify the overall OSD Posture Statement. The hearings generally follow a similar course:

- DoD Senior Leadership testifies and is questioned by the committee.
- Approximately one week after the hearing, the committee releases a draft transcript and additional questions for the record.
- A committee report on the hearing is published.

Prior to hearings, potential issues and likely congressional positions will be identified and evaluated to determine the context and tenor of upcoming hearings. Preparatory materials will be generated based on these evaluations. Resource Managers – Action Officers, Program Managers and others - will be required to assist in the preparation of these materials, which commonly include **PHIPs** and pre-hearing review sessions, sometimes known as **Skull Sessions**.

Posture Hearing Issue Papers ("One Pagers" or PHIPs)

PHIPs form the foundation of posture hearing preparation, and cover the main points of a budget issue, as well as anticipated congressional issues. Backup data is commonly provided on funding, program performance, procurement, and a bottom-line Defense Department position. Resource Managers must ensure each PHIP represents the current, coordinated Defense Department position.

Skull Sessions

Skull sessions bring together the key general officers and/or Secretariat personnel to address subjects of congressional interest. They are organized by distinct capabilities and are intended to generate discussion on important Defense Department issues dealt with before Congress. There are three types of skull sessions:

- Pre-hearing skull sessions begin in January, and address broad areas for general preparation.
- Specific hearing skull sessions occur two or three days before a hearing, and address issues pertinent to a specific committee holding the hearing.
- "Mini-skulls" or murder boards are held the morning of the hearing and cover late-breaking issues.

Resource Managers (usually Defense Department subject matter experts for the program or topic in question) will be asked to provide skull session background material in the form of questions and answers in PowerPoint format. When developing this material, Resource Managers need to be sure to:

- Place themselves in the position of the witness
- Answer questions directly (first bullet)
- Use specific examples to illustrate points
- Synchronize Skulls with PHIPs

Following each hearing, support for senior leadership requires transcript review and preparation of inserts/questions for the record. Additionally, after committee mark-ups are complete, it may be necessary to generate budget/program fact papers to counter committee action contrary to the Defense Department position. The committee will provide witnesses with a transcript of hearing testimony to make necessary editorial and factual corrections, provide additional information, and identify classified information.

Transcript Review

The committees extend this privilege as a courtesy—therefore, all deadlines for return of the corrected transcript **must** be met.

PPBE stakeholders must read the instructions (contained on the tasker cover page) carefully and follow them exactly. Be aware each committee has its own requirements. Extensive, substantive revisions or addition of new information is not permitted unless expressly authorized by the committee.

Classified information should be handled in accordance with tasker instructions. Be aware there is a congressional sensitivity to the over-classification of information. Recommendations for deleting classified information from transcripts must reflect a valid security position.

Inserts/Questions for the Record (IFRs/QFRs)

During a hearing, committee members often ask for information too detailed for immediate response. These questions are referred to as Inserts for the Record, with responses inserted at a later time into the text transcript. Questions not asked during the hearing are submitted at this time as Questions for the Record. Responses will be appended to the hearing transcript as well.

An Office of Primary Responsibility (OPRs) is tasked to respond to each IFR/QFR. A tasker with a detailed instructions and a sample response will accompany each question. Be aware the format described in the tasker must be followed exactly—each committee has its own requirements. Avoid incomplete coordination, confusing jargon or acronyms, and improper responses (too much, too little or too emotional.)

Congressional Appeals

As Congress completes its hearing and mark-up work, the Executive Branch has several venues available to request changes to draft legislative language (appeals.) There are three primary tools used to submit appeals:

1. A Statement of Administrative Policy (SAP), issued by the President
2. A "Heartburn Appeal", issued by SECDEF on behalf of the Defense Department
3. Individual appeals from the military services and/or defense agencies, sometimes known as Budget/Program Fact Papers

Congressional Appeals: Statements of Administrative Policy

A Statement of Administrative Policy is a White House/Office of Management and Budget initiative that follows legislative markup completed by the Defense authorization and appropriation committees. SAPs identify congressional funding levels and/or legislative language that is of particular concern to the President, including Presidential veto threats. While SAPs are issued by the White House, they are developed and coordinated through relevant offices within the Defense Department (OSD and/or specific defense agencies or the military services), depending on the issue.

Congressional Appeals: OSD Heartburn Appeals

In addition to the President's SAPs, the Defense Department has the opportunity to present to Congress its "top 10" concerns regarding draft legislative language. These "heartburn appeals" (there may also be more than 10) are developed by each military service and defense agency, then narrowed to a single Defense Department list by the OSD Office of Legislative Council (OLC.) Heartburn appeals are short and issue-oriented, and restate the preferred DoD program requirement and a rebuttal of the legislative rationale used to change a program.

Congressional Appeals: Budget/Program Fact Papers (BPFPs)

BPFPs are developed by individual Components within the Defense Department as a result of marks to the President's Budget Request. They are aimed at educating the committees regarding the impact of their action prior

to the committee conference. Like Heartburn Appeals, BPFPs are short, issue-oriented papers containing a concise restatement of the program requirement and a rebuttal of the rationale used to reduce or terminate a program.

The Unfunded Priority List (UPL)

The UPL is a corporately approved list of un-funded programs within a focus area chosen annually by each Component of the DoD (for example, each military service develops its own UPL.) These programs are designated to receive funding should additional money become available. Prior areas of focus have included modernization, readiness, people, and quality of life. Programs included on the list are those that are completely un-funded. Programs under-funded or otherwise impaired are not candidates for the UPL.

Summary

Defense Department involvement with Congress is more bi-lateral than most imagine. Although the President's Budget is presented to Congress in early February, the majority of the legislative budget season involves providing additional programmatic information via posture statements, hearings, program briefs, appeals, and responding to any other congressional requests for information as required. Legislative language, in both authorization and appropriation forms, will legally direct DoD program behavior, so it is critical PPBE stakeholders not only follow congressional processes closely in order to anticipate congressional requirements but also provide accurate, timely and coordinated information that supports the official DoD position whenever requested.

Chapter 11: Executing the Air Force Budget

Introduction

After the congressional authorization and appropriation bills are signed by the President and the funds are released to the Defense Department, the job of actually using appropriated funds, as authorized, begins. This chapter discusses the procedures used to spend appropriated funds from the beginning of a fiscal year through fiscal year closeout.

PPBE practitioners can learn useful information from budget execution data. For example, programs not fully executed during the year are good sources for possible bill-paying exercises during future budget cycles. Also, programs historically having difficulty during execution due to lack of funding are excellent candidates to repair during the programming cycles. Let's begin looking more closely at the Budget Execution process by defining a few terms.

Budget Authority

Budget legislation demands programs stay within their fiscal boundaries. Congress appropriates funds to OSD, who, in turn, allocates to the military services and defense agencies their shares of the appropriations, providing **Budget Authority (BA)** for each DoD Component. The sum of the resources allocated to each Component is often described as Total Obligational Authority (TOA). Note: the difference between Budget Authority and TOA is *Budget Authority* is the "new" amount of money available to spend each fiscal year. *TOA* is the combined totals of all funds available to be spent. The two totals vary because some appropriations last for more than one fiscal year.

Obligating Funds

In order to spend appropriated funds, the funds must formally be allocated to a specific requirement or task via a legally-binding document, such as a contract, task order, or travel order. This legal agreement literally obligates the Defense Department to pay for the goods or services requested by the agreement, so long as the terms of the request are also met. A program's "obligations" (also sometimes referred to as its "spend rate" or "burn rate") are expressed as the cumulative total of all obligating documents.

Expending Funds

Although a program's obligation levels are the most commonly-used metric for both planning and measuring program performance, another metric is also tracked and used to gauge program activity. Once the goods or services requested by an obligating document have been received, the formal acknowledgement of receipt to allow payment of funds is known as an expenditure. Expenditures then presented for payment by DoD to the Treasury are called outlays. At the end of the budget year, the goal is for outlays to equal the obligation authority.

Time Limits for Obligations

Each appropriation has certain time limits during which obligations, expenditures and outlays can be made. Table 11-1 explains appropriation lifespan by major functional titles as submitted to OSD. When the Defense Department receives an appropriation from Congress, the appropriation language includes the appropriation lifespan. Each appropriation has certain time limits for obligations. During the execution year(s), the goal is to be 100% obligated when the appropriation lifespan ends, and this lifespan time period varies by appropriation. For example, Operations and Maintenance appropriations are said to be "current" (available for obligation) for one fiscal year. For Procurement appropriations, there are generally three current fiscal years.

When the legislative time period for creating new obligations has passed, appropriations are said to be "expired." During this "expired" time period, programs may continue to expend and outlay already-obligated funds but may not create any new obligations. The expiration time period for all appropriations is five years.

After this expired time period ends, the money can no longer be obligated expended, or outlaid for any reason, and the appropriations are considered "cancelled." If a legitimate obligation is presented for payment a cancelled appropriation, it must be paid out of current year funds if the "bona fide need" cannot be established for other unexpired or expired appropriations.

One Year Appropriations
Operations and Maintenance
Military Personnel
Military Family Housing
Two Year Appropriations
Research and Development
Three Year Appropriations
Aircraft Procurement
Procurement of Ammunition
Missile Procurement
Space Procurement
Other Procurement
Five Year Appropriations
Military Construction
Military Family Housing Construction

Table 11-1. Appropriation "Life Spans" for Creating New Obligations

Funding Limitations

Each fiscal year has certain constraints on the execution of the budget. An "A" limitation has a legal basis and is usually included in an Appropriation or Authorization Act. A "B" limitation has no legal basis but is an OSD or military service policy regarding certain spending. Another kind of limitation is an "earmark" in the appropriation or authorization language from Congress. It can be specific — appropriated for the purpose of or the intent of Congress. In all cases, a spending limitation is a restriction on funds during execution. This lack of flexibility makes budgeting correctly the first time very important.

Notice in Figure 11-1 appropriations can be summarized by grouping them into major categories. For example, investment accounts include Procurement, RDT&E and MILCON. There are times when four categories are used: People (e.g., quality of life), Readiness (e.g. O&M to include flying hours), Investment, & Modernization.

Planning for Funds Execution

Because of the enduring nature of many Defense Department missions, many programs do not experience significant changes in obligation and expenditure rates from year to year beyond inflationary activity. A program's ability to obligate and expend funds in prior years is often a valid indicator of that program's ability to execute current year funds. However, program history may not adequately capture any changes in program requirements or program

management, so many Defense Department Components (and sub-Components) also develop month-by-month plans for funds execution, prior to the beginning of each fiscal year. These month-by-month projections of program obligation and expenditure rates are called many different names, such as Execution Plans, Spend (or Spending) Plans, Operating Budget Plans, and Financial Plans (Fin Plans), for example.

While Execution Plans (the most common term currently in use within the DAF) provide important information to headquarters-level activities, they are not developed at the headquarters level. Instead, Execution Plans are requested of field-level activities (below the military service or agency level) via a formal data call shortly after the President's Budget is submitted to Congress each February, for the coming fiscal year. (For example, an FY 20-focused Execution Plan would begin its development in spring 2019.) Execution Plan inputs are then consolidated at the military service and agency level to reflect forecasted obligation and expenditure rates on a month-by-month basis for each appropriation category (Operations and Maintenance, Investments, and Research and Development.) Execution Plans also often identify known un-funded requirements for the coming fiscal year.

Combined with appropriation execution history, Execution Plans set a performance benchmark against which each appropriation can be measured once the fiscal year begins via Execution Reviews and Midyear Review.

Funds Release

The ability for OSD to release funds depends on three steps after the Appropriation becomes law. These involve *Apportionment* (Step 1) from the Office of Management and Budget. A *Warrant* (Step 2) issued by the U.S. Treasury showing the amount of cash on the account/appropriation. The issuance by OSD of a *Release Letter* (Step 3) meaning the Defense Department now has the money. The key point here is this all takes time and involves some paperwork.

New Starts and Bona Fide Need Rule

A "New Start" is any Defense Department effort not justified in the President's Budget and approved by the Congress. Congress must be kept informed, in writing, of any New Start. Conversations with congressional staff members do not constitute proper New Start notification.

The Bona Fide Need Rule applies to any appropriation. There are three things to consider in bona fide need:

1. The expense must be authorized, or "necessary and incident" to proper execution of the general purpose of the appropriation.
2. The expenditure must not be prohibited by law.
3. It must not be otherwise provided for in another appropriation.

Example: You can't buy copier paper on 30 September for the entire upcoming fiscal year. Certain purchases are allowed to maintain operations between fiscal years but in short, don't "stockpile" items for future years using obligation authority (TOA) from a prior year.

Program Execution and Execution Reviews

There are three key areas Resource Managers need to focus on during program execution. **Underexecuted** programs are programs not spending funds as quickly as they should, which then encourages these funds to migrate to other programs requiring money. **Underfunded programs** are programs spending more than was originally

estimated, and are usually the programs where funds might migrate to. Chronic, recurring funding problems are caused, for example, by contract inflation, procurement delays, or underpriced manpower. **Funding issues** are identified when programs may not have enough funding to complete the fiscal year. In other words, the consumption rate will exceed the obligation authority.

Underexecution, underfunding, and known funding issues are formally reviewed multiple times during the fiscal year. By law, the general "status of funds" (obligation and expenditure levels) must be reported each fiscal month. More substantial Execution Reviews, however, are conducted on a quarterly basis, with "investment accounts" (procurement and research and development appropriations) and "operating accounts" (operations and maintenance) often treated separately, due to the distinct nature of each account.

Investment Budget Reviews – the "Fall" and "Spring" Reviews

There are two reviews of investment appropriations – procurement and research and development – each year. These reviews often involve visiting a specific production or research site, to formally view production or testing as well as speak directly with program management personnel. Because of the large dollar values associated with major investment programs, these biannual reviews are more involved and detail oriented, in order to both anticipate any known performance issues and gather data to be able to provide ongoing program status to higher levels as required. Not all investment programs undergo a review every year. Programs known to have performance problems, large deviations from planned obligation and expenditure levels; Congressional interest; or extremely large program budgets are likely candidates for review.

The Operating Budget Review

In contrast, an Operating Review (or Operating Budget Review) is typically conducted at headquarters levels, without specific site visits. Because the Operation and Maintenance appropriation pays for readiness, operating tempo (particularly fuel usage), and civilian personnel payroll requirements, the Operating Budget Review focuses on projecting and ensuring sufficient funds will be available to fund requirements to the end of the fiscal year, without also leaving funds unused. Operating accounts are particularly vulnerable to changes in fuel costs, civilian hiring activity, and unforeseen mission requirements, so adjustments to satisfy full fiscal year requirements are often required.

Midyear Review

In addition to general quarterly execution reviews, OSD also formally reviews the status of each appropriation midway through the fiscal year, in the April and May timeframe. This Midyear Review is conducted by OSD Comptroller personnel, although because of likely programmatic impact Resource Managers can also expect to become involved. As with all execution reviews, Midyear Review compares planned obligation and expenditure rates (provided by each DoD Component via Spending Plans) with actual program performance (as recorded in DoD's official accounting systems, reporting by the Defense Finance and Accounting Service – DFAS.) Midyear Review affords OSD the flexibility to make adjustments to program funding levels, either to increase funding to overexecuting programs if warranted or to decrease funding of underexecuting programs. Midyear Review often marks the beginning of major reprogramming activity within the Defense Department, to ensure all appropriated funds are used.

Contingency Operations & Emergency and Special Project (ESP) Codes

The Defense Department continues to be tasked around the world in support of our National Security Policies. When this occurs, costs are incurred and they need to be tracked. This tracking is often accomplished by using alpha-numeric Emergency and Special Project Codes (ESP Codes) to capture these costs.

Note that ESP Codes are used if the contingency is not already budgeted. Known contingencies are budgeted for during the normal budget process. Contingency operations by definition are not normally budgeted for, so they often drive a requirement for reprogramming activity or supplemental appropriation requests.

Reprogramming

No budget goes as planned when the fiscal year begins. Thus, during the year of execution, reprogramming actions are inevitable. Reprogramming does not create new TOA; it simply moves TOA from where it is not needed to where it is needed. There are two types of reprogramming actions: reprogramming action which requires prior written Congressional approval ("above threshold reprogramming") and those actions which do not require congressional approval ("below threshold reprogramming".)

Reprogramming actions requiring prior approval by Congress are sent to the four congressional committees in the House and Senate who approve the budget. These are the Authorization and Appropriations Committees in the House and Senate. For reprogramming requests, there is no floor action by the Congress. Any one of these committees can influence the outcome. If we request a $50 million reprogramming action from RDT&E (Source) to O&M (Use) and one of the committees approves $35 million, then $35 million is the approved action. In short, the "lowest number wins."

Congress issues reprogramming guidelines as part of ancillary tables that accompany the Defense appropriation each year; these can vary depending on Congressional interest or desired oversight. As an example, in order to request congressional reprogramming action, a form DD1414 (Base for Reprogramming Actions) must be completed whenever the following reprogramming action is desired:

- Movement of funds between any appropriations
- Move funds between any appropriations – "crossing the streams"
- Move funds that affect a Congressional Interest Program (CIP)
- Move +/- $20M or 20% of the appropriated Procurement or R&D line item, whichever is less (at the line item level)
- Notify of moves within O&M, MilPers, RDT&E, and Procurement: +/- $10M

Note Congress does not need to formally approve a reprogramming request in order for the Defense Department to receive reprogramming authority; if no congressional subcommittee acts upon a reprogramming request within 30 days, the request is considered by "pocket approval" to have been approved. Completing and submitting the DD1416 simply provides Congress to opportunity to exercise reprogramming oversight if desired.

Reprogramming actions that do not require prior Congressional notification or approval ("below threshold reprogramming", or "internal reprogramming") vary widely, because any DoD Component that maintains fiduciary responsibility – the legal authority to manage its funds – may set its own internal reprogramming guidelines. Since reprogramming guidelines are designed to direct and control program activities, each DoD Component may determine

that different programs, commands, agencies, or tasks require different reprogramming guidelines. For example, internal reprogramming may be restricted by:

- Program, or program element
- Appropriation, beyond existing Congressional guidelines
- Command or Agency priority or policy
- Fiscal quarter or general timeframe within the fiscal year

PPBE practitioners must be aware of reprogramming restrictions and guidelines that may have been imposed at different command or agency levels that may direct specific program behavior. These reprogramming guidelines are formally provided, in writing, by one command/agency to another when appropriated funds are allocated. The allocation documents are prepared and managed by the Comptroller organization within each command or agency.

Supplemental Funding

A Supplemental Appropriation adds to TOA, which makes the process different from reprogramming. A supplemental is another appropriations act requiring full Floor Action in the Congress and is signed into law. The Budget Enforcement Act, which was designed to reduce deficit spending, exempts emergency supplemental appropriations from being "scored" as part of the normal budget processes considering receipts and expenditures in establishing the amount of funds available for the budget.

Fiscal Year Closeout

The end of any fiscal year involves substantial funds monitoring, reprogramming, and procurement activity at all levels within the Defense Department. The goal of every "successful" fiscal year is to obligate 100% of appropriated funds toward strategically supportive activities. Although each fiscal year ends September 30th, fiscal year closeout activities begin well before this date, usually throughout most of the 4th fiscal quarter (July through September) to allow sufficient time to assess program performance and make obligation adjustments as necessary.

All PPBE practitioners must work closely with both Comptroller and contract personnel to maintain close oversight of current obligation levels, potential unused funds, and any un-funded requirements that could benefit from funding that becomes unexpectedly available as a result. Because most program obligations are created well below the Defense Department headquarters level, it is also critical any manager working within OSD maintain an active and well-informed network throughout the fiscal year.

Summary

Executing legislated funds represents the end of the PPBE process. When executing funds, the overarching question must always be "does this funds execution activity support the Defense strategy as originally designed during the PPBE planning phase?" To answer this question, the Funds Execution process will require creating a plan for using funds well before a fiscal year begins; close monitoring of actual program performance via Execution Reviews; and logical and timely reprogramming of funds if and when required.

Appendix A: Acronym Index

ABIDES	Automated Budget Interactive Data Environment System
ACAT	Acquisition Category
ACTD	Advanced Concept Technology Demonstration
ADR	Annual Defense Review
AF/A8	Deputy Chief of Staff for Plans and Programs
AF/CV	Air Force Vice Chief of Staff
AFB	Air Force Board
AFC	Air Force Council
AFCAIG	Air Force Cost Analysis Improvement Group
AFCIS	Air Force Capabilities Investment Strategy
AFCS	Air Force Corporate Structure
AFEE	Air Force Element of Expense
AFEEIC	Air Force Element of Expense/Investment Code
AFF	Air Force Futures (formerly AFWIC)
AFG	Air Force Group
AFGM	Air Force Guidance Memorandum
AFI	Air Force Instruction
AFMC	Air Force Material Command
AFMSS	Air Force Mission Support System
AFPD	Air Force Policy Directive
AFPP	Air Force Program Projections
AFRAP	Air Force Resource Allocation Process
AFRC	Air Force Reserve Command
AFRES	Air Force Reserve
AFROCC	AF Requirements Operational Capabilities Council
AFSP	Air Force Strategic Plan
AFSPD	Air Force Strategic Planning Directive
AFTFP	Air Force Transformation Flight Plan
AFWCF	AF Working Capital Fund
AFWIC	Air Force Warfighting Integration Capability (legacy term)
AMC	Air Mobility Command
AMS	Acquisition Management System
ANG	Air National Guard
AO	Action Officer
AoA	Analysis of Alternatives
AP	Approved Program
APB	Amended President's Budget
APB	Acquisition Program Baseline
APOM	Amended Program Objective Memorandum
APPG	Annual Planning and Programming Guidance (legacy document)

APPN	Appropriation Codes
ASD/NII	Assistant Secretary of Defense for Networks and Information Integration
ASOC	Air Support Operations Center
AT&L	Acquisition, Technology & Logistics
ATD	Advanced Technology Demonstration
AV	ABIDES Viewer
BA	Budget Authority/Activity
BAC	Budget Activity Code
BAI	Backup Aircraft Inventory
BCP	Budget Change Proposal
BD	Budget Decision
BES	Budget Estimate Submission
BER	Budget Estimate Review
BoD	Board of Directors
BOS	Base Operating Support
BP	Budget Program
BPAC	Budget Project Activity Cod
BPFP	Budget/Program Fact Papers
BR	Budget Review
BRAC	Base Realignment and Closure
BUR	Bottom-Up Review
BY(s)	Budget Year(s)
C4ISR	Command, Control, Communication, Computers, Intelligence, Surveillance & Reconnaissance
CAF	Combat Air Force
CAPE	(OSD Director of) Cost Assessment and Program Evaluation
CBR	Concurrent Budget Resolution
CCD	Combat Capability Document
CCN	Change Control Number
CDD	Capability Development Document
CE	Cost Element
CFC	Critical Future Capability
CFL	Core Function Lead
CFSP	Core Function Support Plan
CG	Chairman's Guidance
CHAMPUS	Civilian Health and Medical Program of the Uniformed Services
CIO	Chief Information Officer
CIP	Congressional Interest Program
CJCS	Chairman of the Joint Chiefs of Staff
CJCSM	Chairman of the Joint Chiefs of Staff Manual
CLS	Contract Logistic Support
COCOM	Combatant Commander

CONOPS	Concept of Operations
COST-CAT	Cost Category
CP	Change Proposal
CPA	Chairman's Program Assessment
CPD	Capabilities Production Document
CPF	Common Planning Framework
CPG	Contingency Planning Guidance
CPR	Chairman's Program Recommendations
CR	Continuing Resolution
CRD	Capstone Requirements Document
CRRA	Capabilities Review and Risk Assessment
CSAF	Chief of Staff of the Air Force
CY	Current Year, Calendar Year
CYD	Constant Year Dollars
DAB	Defense Acquisition Board
DAWG	Defense Advisory Working Group
DBOF	Defense Business Operation Fund
DCI	Director of Central Intelligence
DCS	Deputy Chief of Staff
DEPSECDEF	Deputy Secretary of Defense
DG	Defense Guidance
DHP	Defense Health Program
DIO	Development, Investment and Operations
DLR	Depot Level Repairable
DMAG	Deputy's Management Action Group
DMR	Defense Management Review
DMRD	Defense Management Review Decision
DoD	Department of Defense
DOTMLPF	Doctrine, Organization, Training, Materiel, Leadership & Education, Personnel, and Facilities
DP	Development Plans
DPA&E	Director for Program Analysis & Evaluation
DPAG	Defense Planning Advisory Group
DPG	Defense Planning Guidance
DPP	Defense Planning Projection
DPG	Defense Planning Guidance
DRI	Defense Reform Initiative
DRR	Design Readiness Review
DRU	Direct Reporting Unit
DSG	Defense Strategic Guidance
DT	Decision Tracker
DWCF	Defense Working Capital Fund

EBO	Effects-Based Operations
EEIC	Elements of Expense & Investment Code
EPP	Enhanced Planning Process
ERA	Executive Review Account
ESP	Emergency and Special Project
EY	Execution Year
F&FP	Force & Financial Plan
FAA	Functional Area Analysis
FAR	Federal Acquisition Regulation
FCB	Functional Capabilities Board
FERS	Federal Employee Retirement System
FFG	Fiscal Forecasts and Guidance
FG	Fiscal Guidance
FIELDCOM	Field Command (Space Force Input Source)
FIN PLAN	Financial Plan
FNA	Functional Needs Analysis
FOA	Field Operating Agency
FoS	Family of Systems
FSA	Functional Solution Analysis
FSDM	Force Structure Data Management
FW	Fighter Wing
FY	Fiscal Year
FYDP	Future Years Defense Program
GDF	Guidance for the Development of the Force
GDP	Gross Domestic Product
GEF	Guidance for the Employment of the Force
GTBL	Get to the Bottom Line
GPA	Guide to Program Analysis
HAC	House (of Representatives) Appropriations Committee
HAF	Headquarters Air Force
HASC	House (of Representatives) Armed Service Committee
HBC	House (of Representatives) Budget Committee
HNSC	House (of Representatives) National Security Committee
IAW	In accordance with
IB	Issue Book
IBR	Investment Budget Review
IBRC	Investment Budget Review Committee
IBRP	Investment Budget Review Process
ICD	Initial Capabilities Document
ILR	Intermediate Level Review (preceded the Air Force Group)
IOC	Initial Operational Capability
IOT&E	Initial Operational Test & Evaluation

IPL	Integrated Priority List
IPT	Integrated Process Team
IRSS	Information & Resource Support System
JADC2	Joint All-Domain Command and Control
JCB	Joint Capabilities Board
JCIDS	Joint Capabilities Integration and Development System
JCS	Joint Chiefs of Staff
JFC	Joint Functional Concept
JLRSA	Joint Long Range Strategic Appraisal
JMA/SA	Joint Mission Assessment/Support Assessment
JMNA	Joint Military Net Assessment
JMRR	Joint Monthly Readiness Review
JNA	Joint Net Assessment
JOC	Joint Operating Concept
JOpsC	Joint Operations Concept
JOPES	Joint Operational Planning and Execution System
JPD	Joint Planning Document
JPD	Joint Potential Designator
JPG	Joint Programming Guidance
JRO	Joint Requirements Office
JROC	Joint Requirements Oversight Council
JSCP	Joint Strategic Capabilities Plan
JSPS	Joint Strategic Planning System
JSR	Joint Strategic Review
JV20XX	Joint Vision 2020 (or subsequent updates)
JWCA	Joint Warfighting Capabilities Assessment
KPP	Key Performance Parameter
LCC	Life Costing Cycle
LRIP	Low-Rate Initial Production
LRP	The Air Force Long Range Plan
M&S	Modeling and Simulation
MAIS	Major Automated Information System
MAISRC	Major Automated Information System Review Council
MAJCOM	Major Command (Air Force Input Source entity)
MBI	Major Budget Issue
MCP	Major Change Proposal
MDA	Milestone Decision Authority
MDAP	Major Defense Acquisition Program
MEIS	Mission Essential Information System
MFP	Major Force Programs
MID 913	Management Initiative Decision 913
MILCON	Military Construction

MILPERS	Military Personnel
MLA	Military Legislative Assistant
MP	Major Program
MPES	Manpower Programming and Execution System
MRC	Major Regional Conflict
MS&A	Modeling, Simulation & Analysis
MS	Milestone
MSP	Mission Support Plan
MTW	Major Theater War
NCA	National Command Authority
NDI	Non-Developmental Items
NDP	National Defense Panel
NDS	National Defense Strategy
NFIP	National Foreign Intelligence Program
NGB	National Guard Bureau
NMS	National Military Strategy
NSA	National Security Agency
NSC	National Security Council
NSDD	National Security Decision Directives
NSS	National Security Strategy
O&M	Operations & Maintenance
O&S	Operations & Support
OA	Obligating Authority
OAC	Operating Agency Code
OBRC	Operation Budget Review Committee
OBRG	Operation Budget Review Group
OBRP	Operation Budget Review Process
OCO	Overseas Contingency Operations
OCR	Office of Corollary Responsibility
OIPT	Overarching Integrated Product Team
OJCS	Office of the Joint Chiefs of Staff
OMB	Office of Management and Budget
OPLAN	Operations Plan (in complete format)
OPR	Office of Primary Responsibility
OPTEMPO	Operations Tempo
ORD	Operational Requirements Document
OSC	Operating Agency Code
OSD	Office of the Secretary of Defense
OY	Out Year
PA&E	Program Analysis and Evaluation
PAA	Primary Aircraft Authorized
PB	President's Budget

PBD	Program Budget Decision – legacy document as of 13 Sep 2019
PBES	Program Budget Environment System
PBR	Program and Budget Review
PCP	Program Change Proposal
PCR	Program Change Request
PD	Program Decision
PDD	Presidential Decision Directive
PDM	Program Decision Memoranda – legacy document as of 13 Sep 2019
PDS	Program Data System
PE	Program Element
PEG	Program Evaluation Group
PEM	Program Element Monitor
PEO	Program Executive Officer
PGM	Program Guidance Memorandum
PHIP	Posture Hearing Issue Paper
PM	Program Manager
PMD	Program Management Directive
POC	Point of Contact
POM	Program Objective Memorandum
POM/BES	*See also PBR* – Combined POM and BES submission
PPBE	Planning and Programming, Budgeting & Execution System
PPI	POM Preparation Instructions
PPG	Plan to Program Guidance
P&R	Personnel and Readiness
PR	Program Review
PRD	Presidential Review Directives
PRM	Presidential Review Memorandum
PRMG	Program Resource Managers Group (replaced the 3-Star Programmers)
PY	Prior Year
QDR	Quadrennial Defense Review
QFR	Question for the Record
RAP	Resource Allocation Plan
RAPIDS	Resource Allocation Program Information Decision System (legacy system)
RDT&E	Research, Development, Test & Evaluation
RIC	Resource Identity Code
RMD	Resource Management Decision (as of 2018 – a legacy document)
RMG	Resource Management Group
RMS	Resource Management System
RPA	Retired Pay Accrual
RPM	Real Property Maintenance
RRP	Rapid Response Process
SA	Situational Awareness

SAC	Senate Appropriations Committee
SAF/AQ	Assistant Secretary of the Air Force (Acquisition)
SAF/FM	Assistant Secretary of the Air Force (Financial Management)
SAF/FMB	Deputy Assistant Secretary of the Air Force (FM-Budget)
SAG	Sub-Activity Group
SAP	Special Access Program
SAR POC	Special Access Required Programs Oversight Committee
SAR	Special Access Required
SASC	Senate Armed Services Committee
SBC	Senate Budget Committee
SBIR	Small Business Innovative Research
SBR	Summer Budget Review
SCF	Service Core Function
SECAF	Secretary of the Air Force
SECDEF	Secretary of Defense
SLRG	Senior Leader Review Group
SFG	Space Force Group
SFB	Space Force Board
SMP	Strategic Master Plan
SOF	Special Operations Forces
SPG	Strategic Planning Guidance
SPO	System Program Office
SPWG	Special Projects Working Group
SS	Service Secretaries
TDS	Technology Development Strategy
TEMP	Test and Evaluation Master Plan
TEP	Theater Engagement Plan
T&E	Technology and Evaluation
TOA	Total Obligational Authority
TPG	Transformation Planning Guidance
TSPR	Total System Performance Requirement
TY	Then-Year Dollars
UPL	Un-funded Priority List
USC	United States Code
USD	Under Secretary of Defense
USD(A&S)	Under Secretary of Defense (Acquisition & Sustainment)
USD(C)	Under Secretary of Defense (Comptroller)
USD(I)	Under Secretary of Defense (Intelligence)
USD(P)	Under Secretary of Defense (Policy)
USD(P&R)	Under Secretary of Defense (Personnel & Readiness)
WCF	Working Capital Fund
WIPT	Working-Level Integrated Product Team

WMD	Weapons of Mass Destruction
WRAP	Warfighter Rapid Acquisition Process
WSC	Weapons System Code
ZBR	Zero-Based Reprogramming
ZBT	Zero-Balanced Transfer

Appendix B: Resource Allocation Glossary

The purpose of this glossary is to help the reader understand the terms listed as used in this reference guide. It is not intended to encompass all terms. Joint Publication 1-02, and Department of Defense Dictionary of Military and Associated Terms, amended 9 May 2005, contain standardized terms and definitions for Department of Defense and Air Force use. The primary source for definitions included here are the governing regulations' glossaries. Some slang terms are defined based on experience.

ABIDES: **Automatic Budget Interactive Data Environment**: The *legacy* HQ Air Force Budget database and its menu-driven database manipulation tool. ABIDES hosts the Force and Financial Plan (F&FP) the official source of programs and funding for the Air Force. ABIDES database is classified SECRET and was replaced by the Program Budget Enterprise System (PBES) for the FY23 PPBE cycle.

Above the Line: Starting with top-ranked program and proceeding down a prioritized list, a Corporate Structure reaches the program before it reaches the cumulative total funding line representing DAF TOA. i.e., the program is funded.

Acquisition Executive: The individual within the Department and Components charged with overall acquisition management responsibilities within his or her respective organization. The Under Secretary of Defense for Acquisition, Technology, and Logistics is the Defense Acquisition Executive (DAE) responsible for all acquisition matters within the Department or Defense. The Component Acquisition Executives (CAEs) for each of the Components are the Secretary of the Military Departments or the Heads of Agencies with power of re-delegation. The CAEs are responsible for all acquisition matters within their respective Component.

Acquisition Program: A directed, funded effort designed to provide a new, improved, or continuing system or automated information system (AIS) capability in response to an approved operational need. (See ACAT, AMS)

ACAT I, II, III: Acquisition Categories I, II and III: Category groupings of weapon system acquisition programs based on dollar value or DoD interest. ACAT I programs are MDAPS. Some programs which would be ACAT II based on dollar value might be declared ACAT I based on Administration interest. DoD 5000.2 Categories established to facilitate decentralized decision-making and execution, and compliance with statutorily imposed requirements. The categories determine the level of review, decision authority, and applicable procedures. DoD 5000.2, Enclosure 2, provides the specific definition for each acquisition category (ACAT I through III).

<u>ACAT I</u>. A major defense acquisition program (MDAP) subject to Defense Acquisition Board oversight and estimated by the USD (AT&L) to require an eventual total expenditure of more than $365 million in RDT&E funds, or $2.190 billion in procurement funds measured in FY00 constant dollars.

<u>ACAT ID</u>. A major defense acquisition program (MDAP) for which the MDA is USD (AT&L). The "D" refers to the Defense Acquisition Broad (DAB), who advises the USD (AT&L) at major decision points.

<u>ACAT IC</u>. A major defense acquisition program subject for which the MDA is the DoD Component Head or, if delegated, the DoD Component Acquisition Executive (CAE). The "C" refers to Component.

<u>ACAT IA</u>. A major automated information system (MAIS) acquisition program estimated to require program costs in any single year in excess of $32 million, total program costs in excess of $126 million, or total life cycle costs in excess of $378 million (FY00 constant dollars).

<u>ACAT IAM</u>. A major automated information system (MAIS) acquisition program for which the MDA is the Chief Information Officer (CIO) of the Department of Defense (DoD), the ASD (C3I).

ACAT IAC. A major automated information system acquisition program for which the DoD CIO delegated milestone decision authority to the CAE or Component CIO. The "C" (in ACAT IAC) refers to Component.

ACAT II programs are those programs not meeting the criteria for an ACAT I program, but are Major Systems or are designated as ACAT II by the MDA as a result of the MDA's special interest. Because of the dollar values of MAISs, no AIS programs are ACAT II. The MDA is the CAE or the individual designated by the CAE.

ACAT III programs are defined as those acquisition programs not meeting the criteria for an ACAT I, an ACAT IA, or an ACAT II. The MDA is designated by the CAE, and shall be at the lowest appropriate level. This category includes less-than-major AISs.

ACTD: Advanced Concept Technology Demonstration: Used to determine military utility of proven technology, and to develop the concept of operations optimize effectiveness. A joint effort by the acquisition and operational (warfighter) communities within the DoD, the primary object of which is to provide the decision makers an opportunity to fully understand the operational potential offered by a given advanced concept and or technology/system to meet an urgent military operational need prior to an acquisition decision. (An ACTD is the application of a mature technology to address a critical military need. Mature technology implies it is not 6.1 or 6.2 research and a critical military need is an approved requirement by the JROC.)

Additional Topline: Money over and above the current DAF TOA.

ADM: Acquisition Decision Memorandum: A memorandum signed by the milestone decision authority (MDA) documenting the decisions made and the exit criteria established as the result of a milestone decision review or in-process review.

Advance Procurement: Early funding for parts taking a long time to make or will result in a more economical buy. See Full Funding Policy.

AFAE: Air Force Acquisition Executive: The Assistant Secretary of the Air Force (Acquisition). Also called Service Acquisition Executive (SAE) or Component Acquisition Executive (CAE).

AFCAIG: Air Force Cost Analysis Improvement Group: Chaired by Deputy Assistant Secretary (Cost and Economics) (SAF/FMC) with members from Budget, Programming, Plans, Logistics, Acquisition and Communications plus others as needed depending on the program. Establishes Service Cost Position for major defense acquisition programs (MDAPS) as part of the milestone review process in the Acquisition Management System. AFCAIG publishes Air Force Cost and Planning Factors and establishes the flying hour cost factors used in ABIDES to price out Fuel, DLRs (depot-level repairables) and consumables based on a cost per flying hour for each MDS by major command.

AFCIS: Air Force Capabilities Investment Strategy: The Air Force projection through three FYDPs of the investment profiles to achieve the critical capabilities identified in the Air Force Strategic Planning Directive. By forecasting a funding profile of current and future systems in a constrained financial environment, the AFCIS highlight "fork in the road" issues for critical capabilities and AF CONOPS.

AFCS: Air Force Corporate Structure: Embodies the corporate review process for the Air Force; there is also a Space Force Corporate Structure. The primary bodies of the Air Force Corporate Structure are the Air Force Group, the Air Force Board, and Panels (note: the highest-ranking body, the Council, is convened at the DAF level.) This Structure increases management effectiveness and improves cross-functional decision-making by providing a forum in where senior Air Force leadership can apply their collective judgment and experience to major programs,

objectives, and issues. This process balances programs among mission areas, between force structure and support, and between readiness and modernization.

AFB: Air Force Board: Advises and provides recommendations to the DAF Council regarding major programming and other staffing issues. In addition, the AFB conducts corporate reviews of the resource allocation process, enhances the corporate decision process, and works to shape and refine proposals prior to presentation to the DAF Council. The AFB has decision authority for issues submitted by the Air Force Group (AFG). The Director of Programs chairs the AFB, except for purposes of budget formulation and execution to include the Budget Estimate Submission (BES), Budget Review Cycle, and President's Budget (PB), when the Deputy Assistant Secretary (Budget) (SAF/FMB) chairs it. Membership is at the General officer/Senior Executive Service level.

AFG: Air Force Group: Advises and provides recommendations to the Air Force Board (AFB) regarding major programming and other staffing issues. Conducts corporate reviews of the resource allocation process, enhances the corporate decision process, and works to shape and refine proposals prior to presentation to the AFB and the DAF Council. The Deputy Director of Programs chairs the AFG. Membership is at the Colonel/civilian equivalent level.

AF Futures: New title effective in 2021 for the organization previously known as AFWIC (Air Force Warfighting Integration Capability.)

AF Panel: Advises and provides recommendations to the Air Force Group (AFG) regarding major programming and other issues. Conducts corporate reviews of the resource allocation process, enhances the corporate decision process, and works to shape and refine proposals prior to the AFG. Serves as initial point of entry for Input Sources and issues requiring corporate review. Chairs are designated by appropriate Deputy Chief of Staff/Assistant Secretary.

AF Warfighting Integration Capability: *(legacy title)* the Air Force organization whose objective it was to integrate capabilities across the entire Air Force enterprise. As of 2021 known as Air Force Futures.

AIS: Automated Information System: A combination of computer hardware and software, data, or telecommunications performing functions such as collecting, processing, transmitting, and displaying information. Excluded are computer resources, both hardware and software, physically part of, dedicated to, or essential in real time to the mission performance of systems. See MAIS

AoA: Analysis of Alternatives: The evaluation of the performance, operational effectiveness, operational suitability and estimated costs of alternative systems to meet a mission capability. The AoA assesses the advantages and disadvantages of alternatives being considered to satisfy capabilities, including the sensitivity of each alternative to possible changes in key assumptions or variables. The AoA is one of the key inputs to defining the system capabilities in the capability development document (CDD).

AFSARC: Air Force Systems Acquisition Review Council: The Air Force corporate body advises the Air Force Acquisition Executive regarding matters concerning the initiation, continuation of, or substantial changes to major defense acquisition programs.

AFSPD: Air Force Strategic Planning Directive: Provides the key planning priorities of the Secretary of the Air Force and Chief of Staff, outlines the Air Force shift to a capabilities-based planning process. It assigns planning initiatives that will provide the foundation for future capability decisions. The Directive establishes guidance that will affect development of future Program Objective Memorandums (POMs) by examining the impact of capability needs

through the mid- and long-term planning period. It replaces the multiple Strategic Planning Volumes published previously by AF/A8.

APB: Acquisition Program Baseline: Each program's APB is developed and updated by the program manager and will govern the activity by prescribing the cost, schedule and performance constraints in the phase succeeding the milestone for which it was developed. The APB captures the user capability needs, including key performance parameters, which are copied verbatim from the capability development document (CDD).

APPG: Annual Planning and Programming Guidance: *(legacy document)* Air Force document developed by AF/A8P to instruct MAJCOMS in the development of their POM submissions. Incorporates known elements of the Defense Planning Guidance (DPG.) Replaced by the Planning Guidance Memorandum (PGM) and Planning and Program Updated Guidance (PPUG) in 2013.

Appropriation: Act of Congress authorizing funds to be drawn from the Treasury for specific uses. Government operations are funded through 13 different appropriation acts. Three affect the DAF: Defense, Energy, and Military Construction. The remaining appropriations are: Agriculture, Commerce, District of Columbia, Foreign Operations, Interior, Labor/HHS/Education, Legislative Branch, Transportation, Treasury, and VA/HUD.

Appropriation Code: Used to describe the purpose and availability (life) for obligation of an appropriation. Each Service has unique codes. The 4-digit code from OSD maps to a 2-digit Fund Code in ABIDES. There are 22 separate DAF codes with available life varying from one year for 3400 operations and maintenance to five years for 3300 military construction. (See Obligation Rate, Appropriation, and Fund Code)

Approved Program: The technical and operational, schedule, and quantity requirements reflected in the latest approved Under Secretary of Defense (Acquisition, Technology, and Logistics) (USD(AT&L)) Acquisition Decision Memorandum (ADM), or other document reflecting a more current decision of the USD(AT&L) or other appropriate approval authority (such as the President's Budget (PB), the Future Years Defense Program (FYDP), and supporting documentation).

Architecture: The structure of Components, their relationship, and the principles and guidelines governing their design and evolution over time.

"At Risk" Programs: Programs subject to funding cuts due to cost, schedule, or performance (technical) difficulties. Cuts could be taken by AFCS or OSD.

ATD: Advanced Technology Demonstration: Used to demonstrate the maturity and potential of advanced technologies for enhanced military operational capability or cost effectiveness, and reduce technical risks and uncertainties at the relatively low costs of informal processes. ATDs are funded with Advanced Technology Development (ATD) funds.

BA: Budget Authority: Authority provided by law to enter into obligations that will result in immediate or future outlays involving Federal Government funds. The basic forms of budget authority are appropriations, authority to borrow, and contract authority. Budget authority relates to direct programs. (See also Obligation Authority)

Base Year Dollars: A base-year dollar reflects the dollar's value at the time of a specified base-year as if all the dollars where expended in that year. See Constant Dollar.

Below the Line: Starting with top ranked program and proceeding down a prioritized list, the AFCS reaches the cumulative total funding line representing DAF TOA before it reaches the program below the line i.e., the program is not funded

BES: Budget Estimate Submission: The DoD Component's budget submissions to the Office of the Secretary of Defense (OSD) showing budget requirements for inclusion in the DoD budget during the Planning, Programming, Budget, and Execution (PPBE). The BES is annually submitted with the POM as part of the concurrent Program Budget Review (PBR) process by OSD and the Joint Staff.

Bill: 1) Funding shortfall resulting when new program content is added without additional funds, or when funds are taken without reducing program content or pricing. A bill can be caused by a disconnected, existing program or an initiative or an OSD reduction to DAF funding levels.

Bill Payer: A program source of money for the AFCS i.e., an Offset

Bogey: Dollar figure given to each Panel to assess their "fair share" of the Corporate Bill

BOS: Base Operating Support: Program funds transportation, security forces, comptroller, staff judge advocate, claims, and personnel organizations; and dining facilities, lodging, contracting services, chaplain, administration, mess attendant and equipment maintenance contracts, postal services, data processing, airfield and air operations, furnishings management, and other authorized Service activities. It is a cross-cutter issue normally funded in PEs ending in XXX96. It consists of the money for the normal operation of a base. A difficult number to quantify, it is historically funded as a "level of effort" program by the Installations Panel who monitors it. (See Level of Effort)

BPAC: Budget Program Activity Code: A six-position alphanumeric code established for a classification below appropriation level to identify major budget programs and activities. It is applicable to *Air Force* procurement and RDT&E appropriations.

Broken Glass: Programs whose funding was reduced during AFCS deliberations to the extent they may be disconnected or require adjustments to schedule and cost.

Bubblemaster: Individual who controls all changes to any particular document or briefing used during the programming process--normally an A8/PE senior action officer.

Budget Decision: for the FY22-26 PPBE cycle, a Budget Decision (BD) is the OSD directive document that records OSD-directed changes to a Components' budget in the wake of the Budget Review.

Budget Review Cycle: Run concurrently with the OSD Program Review, the OSD Budget Review examines Service BES' and is conducted jointly by the OSD Comptroller and the OMB to build the Defense Department input to the President's Budget. The Program and Budget Review begins when the Services submit their BES in late summer and ends in the President's Budget in January.

Buy-In: Consensus from all players concerned with a particular course of action within the DAF.

Capability: The ability to execute a specified course of action. It is designed by an operational user and expressed in broad operational terms in the format of an initial capability document or a DOTMLPF change recommendation.

CAIV: Cost As an Independent Variable: The process of using better business practices, allowing trade space for industry to meet user requirements, and considering operation and maintenance costs early in requirements definition to procure systems smarter and more efficiently. Procurement strategy treating cost objectives as a program

requirement. Programs may trade performance or schedule to meet cost objectives. Normally associated with new acquisition, but it can be applied to any program.

CAO: Contract Administration Office also means a contract management office of the Defense Contract Management Agency (DCMA), formerly Defense Contract Management Command or DCMC.

CCD: Combat Capability Document: It is used to document deficiencies arising during combat or crisis operations. It is used in the Rapid Response Process to accelerate the fielding of critical systems to meet theater-specific wartime needs. The CCD replaced the Combat Mission Needs Statement or C-MNS and is described in Rapid Response Process (AFI 63-114).

CCN: Change Control Number: Unique, formatted number assigned to each change of the Force and Financial Plan in PBES (and ABIDES.) Permanent documentation of funding changes plus rationale for change remaining in database files. Format provides information on source and time of change. Rationale for change can come with option slides or be expanded on by budget analyst. It is a key document for understanding budget history.

Change Control Sheet: Form used to document and coordinate CCNs. Automatically identifies minimum required coordination based on appropriations, but the analyst must consider all other required coordination manually.

CDD: Capability Development Document: captures the information necessary to develop a proposed program(s), and outlines the affordability increment of capability for an evolutionary (spiral) acquisition strategy. A capability increment is a militarily useful and supportable operational capability with its own set of attributes and associated performance values with thresholds and objectives established by the sponsor and user. The CDD provides the operational performance attributes, including supportability and Key Performance Parameters (KPPs). The CDD is updated for each increment so the values only apply to the increment considered. To capture the overall objective capability, you must refer back to the ICD.

CaNDI: Commercial and non-developmental items: Term applied when referencing both commercial and Non-developmental items. See Commercial-off-the-shelf (COTS) and Non-development Item (NDI).

CLS: Contractor Logistics Support: Weapons system support manually entered into the program compared to organic/blue-suit flying hour cost factors automatically priced out in ABIDES. This becomes an issue for Resource Managers when the source of repair changes from organic to contract since, because of the automatic method of calculations, flying hour funds are not available for Zero Balance Transfer (ZBT). When the source of repair changes from contract to organic, an offset is created to apply against the flying hour bill.

Compatibility: The capability of two or more items or Components of equipment or material to exist or operate near or with other systems, and not be affected by those systems or affect those systems.

CONOPS: Concept of Operations: A verbal or graphic statement, in broad outline, of a commander's assumptions or intent in regard to an operation or series of operations.

Concurrent Budget Resolution: A resolution passed by both Houses of Congress, but not requiring the signature of the President, setting forth, reaffirming, or revising the congressional budget for the United States Government for a fiscal year. A concurrent budget resolution, due by April 15, must be adopted before legislation providing new budget authority, new spending authority, new credit authority or changes in revenues, or the public debt limit is considered. Other concurrent resolutions for a fiscal year may be adopted at any time following the first required concurrent resolution for that fiscal year.

Constant Dollars: A dollar value adjusted for changes in prices. Constant dollar series are derived by dividing current dollar estimates by appropriate price indices, a process generally known as deflating. The result is a time series as it would presumably exist if prices remained the same over the years—in other words, as if the dollar had constant purchasing power. Any changes in such a series would reflect only changes in the real (physical) volume of output. Constant dollar figures are commonly used for gross national product and its Components.

Contingency Supplemental: A supplemental appropriation to support unforeseen (not programmed or budgeted), un-funded military combat, peacekeeping, or humanitarian operations. Does not count against the budget appropriation and outlay targets constraining Congress in developing the annual budget. (See Supplemental Appropriation and concurrent resolution)

Continuing Resolution: Legislation enacted by the Congress to provide budget authority for specific ongoing activities where the regular fiscal year appropriation for such activities was not enacted by the beginning of the fiscal year. The continuing resolution usually specifies a maximum rate the agency may incur obligations, based on the rate of the prior year, the President's budget request, or an appropriation bill passed by either or both Houses of the Congress.

Contracting Officer: A person with the authority to enter into, administer, and or terminate contracts and make related determinations and findings. The term includes certain authorized representatives of the contracting officer acting within the limits of his or her authority as delegated by the contracting officer. **"Administrative contracting officer (ACO)"** refers to a contracting officer who is administering contracts. **"Termination contracting officer (TCO)"** refers to a contracting officer who is settling terminated contracts. A single contracting officer may be responsible for duties in any or all of these areas. Also called PCO for program contracting officer for large SPOs.

Corporate Bill: Any bill the AFCS must source (pay). The sources are either from the panels or additional Topline.

Core Functions: The Service Core Functions (SCF) are functional areas that delineate the appropriate and assigned core duties, missions, and tasks of the Air Force as an organization. Service Core Functions express the ways the Air Force is particularly and appropriately suited to contribute to national security.

Core Function Lead: principal integrators for their assigned SCFs and the corresponding **Core Function Support Plans** (CFSP). CFLs are the MAJCOM Commanders. NOTE: as of the FY 20-24 POM effort, the CFL construct is no longer used.

CFSP: Core Function Support Plans contain the strategic vision, operational view, programmed force, programmed force extended, planning force proposals, operations and maintenance challenges, science and technology, efficiencies, total force enterprise manpower, metrics and a decision space section for that particular SCF. The CFMPs will contain risk analysis for that particular Core Function. CFMPs will be developed by the appropriate CFL. CFL's are directed to coordinate their assigned CFMPs with other appropriate stakeholders across the Air Force.

Cost estimate: A product of an estimating procedure specifying the expected dollar cost to perform a stipulated task or to acquire an item. It may be stated as a single value or a range of values. Cost estimates are required for milestone reviews. For Major defense acquisition program (MDAPs), the AFCAIG leads a cost Integrated Product Team (IPT) to develop a Service cost position.

COTS: Commercial-off-the-shelf: Commercial items requiring little or no unique government modifications or maintenance over the life- cycle of the product to meet the needs of the using command. Any item, other than real

property, customarily used by the general public or by non-governmental entities for purposes other than governmental. (See FAR Part 201 for a complete definition)

CPs: Change Proposals: Introduced by USD(Comptroller) in the FY 2007-2011 Integrated Program Budget Review. It was the mechanism used by the Services and defense agencies to introduce change to the baseline (previous PB) during an off-year cycle. Change Proposals were discontinued for the FY11 OSD Program Budget Review., when instead OSD required a full POM submission.

CPD: Capability Production Document: address the quantities and production attributes specific to a single increment (spiral) of a program, and provides linkages back to the ICD and CDD. It narrows the generalized performance and cost parameters from the CDD. It is started after the Design Readiness Review (critical design review), and addresses the Key performance parameter (KPPs), threshold and objective performance values in the CDD to ensure they are met. If threshold KPPs are reduced, an assessment of military utility must be completed and, possibly, a reexamination of the entire program. The CPD must be approved prior to Milestone C or IOT&E.

CRD: Capstone Requirements Document: A document that contains capabilities based requirements that facilitates the development of CDDs and CPDs by providing a common framework and operational concept to guide their development.

Cross-Cutters: Programs funded across different Panels and within separate program elements, but viewed as a single "rolled-up amount" at appropriate times to provide better funding visibility. e.g., technical orders, sustaining engineering, or contractor logistics support (CLS).

CSMI: Cost Savings Modernization Initiative: A program office or command initiative under the Reduction in Total Ownership Cost (RTOC) program to fund a modification to pay for itself in a relatively short period through reduced operating costs.

Cut Drill: Process of identifying least dear programs as potential offsets.

DAB: Defense Acquisition Board: The Department of Defense corporate body for system acquisition providing advice and assistance to the Secretary of Defense normally chaired by the Under Secretary of Defense (Acquisition, Technology, and Logistics) and the VCJCS. DAB reviews MDAPs at each milestone.

DAC: Designated Acquisition Commander: The individual who performs the same functions as the program executive officer (PEO) regarding programs not assigned to a PEO, primarily the commanders of product centers'. Logistic centers commanders may be identified as DACs under the Integrated Weapon System Management concept. for acquisition program activities, DACs, like PEOs, are accountable to the Air Force acquisition executive.

DAF Council: Advises and makes recommendations to the Chief of Staff and Secretary regarding major matters, including the responsiveness of DAF plans and programs to national, Office of the Secretary of Defense, Joint Chiefs of Staff, and DAF objectives. The Vice Chief of Staff chairs the AFC. Membership is at the Deputy Chief of Staff (three-star) level, corresponding Secretariat level, and selected Directorate (two-star) level.

DAS: Defense Acquisition System: Management process by which the Department of Defense provides effective, affordable, and timely systems to the users.

DAWG: Defense Advisory Working Group (legacy term – replaced by the DMAG in 2011): came into being for the 2005 Quadrennial Defense Review, and former Secretary Rumsfeld institutionalized it to help with budget review. Under DEPSECDEF Carter, the DAWG has been replaced by the DMAG effective October 2011. The DAWG was a

four-star level body, with Services represented by the Vice Chiefs of Staff (VCNO for the Navy) and the Service Under Secretaries.

DAWIA Defense Acquisition Workforce Improvement Act: Law directing the professional development and assignment criteria for the DoD workforce. Requires identification of acquisition billets and criteria for staffing them.

Decision Tracker: Interactive software program used during programming deliberations; list all programs and program elements considered for funding; also lists priorities AFCS and MAJCOMs assign, and the cumulative total of funding regarding the TOA baseline. (see Above and Below the line)

De-fundeds (formerly Offsets – legacy term) - Resources offered to "pay" for a Program Change Request action, un-funded, or initiative; funds in an existing approved program removed from the program to fund higher priority requirements. Funds should be excess to need in the approved program or they will create a Un-funded.

Development Plans: Development Plans (DP) identify potential materiel solutions to the MAJCOM identified needs, and potential revolutionary approaches to solve long-term needs. The DP documents the potential contribution of each concept to the MAJCOM needs, along with available technical risk, costs, and schedule information associated with the concepts.

Directed program: A program mandated by higher authority.

Discretionary Spending: Those programs for which Congress, its discretion, authorizes funds each year; for example, the Department of Defense represents approximately half of all government discretionary spending. Congress must take positive steps to appropriate funds or the funds are not available.

Disconnect: An approved program unexecutable because of a shortfall of resources to accomplish the given objectives or mission. Specific DAF or Office of the Secretary of Defense program budget decisions (PBDs) changing the program content or pace in the Planning, Programming, Budgeting, and Execution System cycle are not candidates for disconnects in the following year's cycle.

DMAG: Deputy's Management Action Group: The Deputy's Management Action Group (DMAG) was created in 2011 by DEPSECDEF Ashton Carter as a four-star level body chartered to review management actions across the defense enterprise, including the PPBE process and the OSD Program and Budget Review. The DMAG is chaired by the DEPSECDEF and co-chaired by the Vice Chairman of the JCS. DMAG membership is topic-dependent. DMAG replaced the DAWG.

DoD Components: The Office of the Secretary of Defense; the Military Departments; the Chairman, Joint Chiefs of Staff and Joint Staff; the Unified and Specified Commands; the Defense Agencies; and DoD Field Activities.

DPG: Defense Planning Guidance: this is a single, fiscally informed document replacing the policy/strategy sections of the Guidance for the Development of the Force (GDF) *and* the fiscally-informed guidelines formerly contained in the Joint Programming Guidance (JPG). It is a statement from the Secretary of Defense on policy, strategy, and force planning. The DPG may include programmatic guidance regarding a few issues of paramount importance. The DPG first establishes a framework for and gives direction to the Enhanced Planning Process (EPP).

DSM: Digital System Model: Software representation of a system used to dynamically characterize the expected effects of changes regarding assumptions, design, tactics, or doctrine. May be used when considering AoAs during the as part of the RGS.

EA: Economic Analysis: Also called cost-benefit analysis, a method for systematically comparing competing project alternatives to recommend the best course of action. EA offers a means of assessing both monetary and non-monetary costs and benefits across alternatives. The Clinger-Cohen Act requires an EA for MAISs. The RTOC program uses a modified EA for CSMIs.

EEIC: Element of Expense/Investment Code: *(legacy data element, replace by Cost Categories)* A five-place alphanumeric code consisting of two parts: a three-place account code followed by a two-place sub-account code to provide a further breakdown. The codes are designed for budget preparations and accounting systems to identify the nature of services and item acquired for immediate consumption (expense) or capitalization (investment). EEICs are used regarding Air *Force* accounting only, but they are related to Office of Management and Budget (OMB) element of resource codes.

Effects-Based Operations (EBO): Military actions and operations designed to produce distinctive and desired effects through the application of appropriate movement, supply, attack, defense, and maneuvers. Effects-based operations focus on functional, systemic, and psychological effects well beyond the immediate physical result of a tactical or operational event.

Enhanced Planning Process (EPP): Designed to examine major issues and provide capability-based analyses of programmatic alternatives to the Secretary of Defense.

ESP: Emergency and Special Program Code: A two-place alphanumeric code used to provide separate accounting and reporting for costs incurred during an emergency or support of a special program. ESP codes may be assigned by HQ USAF, Major Commands (MAJCOMs), or bases. The first position is assigned by the user and may be either an alpha or numeric character. The second position is always an alpha character, and is assigned as follows: (A-G) HQ USAF; (H-W) MAJCOM; or (X-Z) base.

EV: Earned Value: EVM Earned Value Management. Acquisition Process tool linking a program's schedule and funding profiles as a management tool. Using EVM, program managers can track the estimated cost of their program at completion based estimated cost of their program based on the actual cost to date vice the budgeted cost.

Exit criteria: Program specific accomplishments to satisfactorily demonstrate before an effort or program can progress further in the current acquisition phase or transition to the next acquisition phase. The exit criteria serve as gates, when successfully passed or exited, demonstrate the program is on track to achieve its final program goals, and should be allowed to continue with additional activities within an acquisition phase or be considered for continuation into the next acquisition phase. Exit criteria may include such factors as critical test issues, the attainment of projected growth curves and baseline parameters, and the results of risk reduction efforts deemed critical to the decision to proceed further. Exit criteria supplement minimum required accomplishments, and are specific to each acquisition phase. The MDA approves the exit criteria.

Expenditure: Authorization for funds from Treasury resulting from presentation of a voucher or claim (should be as a result of a legal obligation).

Expense versus Investment Costs: The criteria for cost definitions consider the intrinsic or innate qualities of the item such as durability of an investment cost or consumability of an operating cost and an item is used or the way it is managed. In all cases, where the definitions appear to conflict, the conditional circumstances prevail. The following guidance determines whether a cost is either an expense or an investment. All costs are classified as either an expense or an investment.

1. Expenses are the costs incurred to operate and maintain the organization, such as personal services, supplies, and utilities. Operations & Maintenance (normally O&M)

2. Investments are costs resulting in the acquisition of, or an addition to, end items. These costs benefit future periods, and generally are of a long-term character such as real property and personal property (normally Procurement).

F&FP: **Force and Financial Plan:** The database describing the Future Years Defense Plan. The DAF portion of the DoD FYDP, consisting of a series of classified volumes, showing (by program element code), a projection of the forces, manpower, and dollar resources approved for the DAF. It is kept in PBES.

FAA: Functional Area Analysis: An FAA identifies the operational tasks, conditions and standards needed to achieve military objectives. It uses the national strategies, joint operational concepts, joint functional concepts, integrated architectures, and DAF CONOPS as inputs. The output is tasks to be reviewed in the follow-on functional needs analysis.

FCB: Functional Capability Board: A permanently established body that is responsible for the organization, analysis, and prioritization of joint warfighting capabilities within an assigned functional area.

Facing Slide or Facer Page: Slide facing the principal slide in a briefing providing further insight regarding the program funding or program content. It is normally used to prepare DAF senior leaders for an OSD briefing during program reviews at the OSD PMRG or DMAG.

Fenced: Programs or program elements designated to remain above the line at the start of any programming exercise i.e., excluded from being bill payers. Exclusion can be a DAF, OSD, or Congressional input.

Fin Plan: Financial Plan: Plan for executing the annual DAF O&M budget. At one time, Fin Plans were submitted by major commands and integrated by SAF/FMBO into an Air Force plan highlighting execution risks and funding priorities. The Fin Plan was presented to the AFCS prior to approval by the CSAF and SECAF. Fin Plans were replaced by more informal "Spend Plans" in the 2006 timeframe.

Fiscal Guidance: Annual guidance issued by the Secretary of Defense providing the fiscal constraints the Joint Chiefs of Staff, the military departments, and Defense agencies must observe to formulating force structures and Future Years Defense Programs, and by the Secretary of Defense staff when reviewing proposed programs.

Fiscal Year: Any yearly accounting period without regard to its relationship to a calendar year. The fiscal year for the Federal Government begins on October 1 and ends on September 30. The fiscal year is designated by the calendar year in which it ends. Fiscal years are further designated as follows:

Past Year-1: Also referred to as Prior Year-1, the fiscal year immediately preceding the past year.

Past Year (PY): Also referred to as Prior Year, the fiscal year immediately preceding the current year; the last completed fiscal year.

Current Year (CY): The fiscal year in progress. Immediately precedes the budget year. [Also known as execution year]

Budget Year (BY): The next fiscal year for which estimates are submitted.

Budget Year 1 (BY1): In a biennial budget submission, the first fiscal year of a 2-year period for which the budget is considered.

Budget Year 2 (BY2): In a biennial budget submission, the second fiscal year of a 2-year period for which the budget is being considered

Budget Year(s)+1 (BY(s)+1): The fiscal year immediately following the budget year(s). This format continues through Budget Year +5 (BY+5), the fifth fiscal year following the budget year(s).

FITR: Fork in the Road: Decision Point. The starting year where a program for a future or replacement capability must begin receiving funding if the capability is to be available at the desired time, assumes a normal acquisition profile. The FITR can be a decision between a service life extension to an existing program versus the start of a replacement program.

Fix in Execution: An intentional decision by the AFCS to risk under- funding a program or crosscutter in the POM, BES, or PB for a wide range of reasons, such as: additional funds would be at risk with OSD or Congress, the cost estimate is perceived as overly pessimistic, the program is linked with another program and the two will move funds between them, or it is a traditional recipient of additional funds during the execution year.

FOA/DRU: Field Operating Agency/Direct Reporting Unit: FOAs are a subordinate, supporting unit to a major command or Air or Space Force headquarters. DRUs report directly to the CSAF/SECAF; examples include the Air Force Academy, AF Studies and Analysis Agency, and the 11th Wing (where funds for numerous FOAs are programmed and executed).

FOC: Full operational capability: The full attainment of the capability to effectively employ a weapon system, item of equipment, or system-of-approved specific characteristics, manned and operated by a trained, equipped, and supported military unit or force. FOC is not necessarily a date, but is the criteria necessary to declared full operational capability.

FSDM – Force Structure Data Management: The system that replaced Program Data System (PDS) and tracks programmed and actual aircraft inventories as well as programmed and actual flying hours. FSDM – like PDS – also contains all aircraft basing information.

FOS: Family of Systems: A set or arrangement of independent systems that can be arranged or interconnected in various ways to provide different capabilities. The mix of systems can be tailored to provide desired capabilities, dependent on the situation.

Full-Funding Policy: The practice of funding the total cost of major procurement and construction projects in the fiscal year they will be initiated. It is Department of Defense policy to fully fund procurements covered within the procurement title of the annual DoD Appropriations Act. There are two basic policies concerning full funding. The first is to provide funds at the outset for the total estimated cost of a given program so Congress and the public can be fully aware of the dimensions and cost when the program is first presented in the budget. The second is to provide funding each fiscal year to procure a complete, usable end item. In other words, an end item budgeted in a fiscal year cannot depend upon a future year's funding to complete the procurement. However, efficient production of major defense systems necessitated two general exceptions to this policy - advance procurement for long lead-time items, and advance economic order quantity (EOQ) procurement. EOQ is normally associated with multi-year procurements but can be requested for annualized procurements on an exception basis for unusual circumstances (such as combined parts buys for a block of satellites). Both efforts must be identified in an Exhibit P-10, Advance

Procurement, when the Budget Estimate Submission is submitted to OSD, and when the President's budget request is submitted to the Congress

Full Operational Capability (FOC)—The full attainment of the capability to effectively employ a weapon system, item of equipment, or system of approved specific characteristics, which is manned and operated by a trained, equipped, and supported military unit or force. FOC is not necessarily a date; it defines the criteria necessary to declare full operational capability.

Full-rate production: Production of economic quantities following stabilization of the system design, and prove-out of the production process.

Functional Needs Analysis (FNA)—It assesses the ability of the current and programmed joint capabilities to accomplish the tasks that the FAA identified, under the full range of operating conditions and to the designated standards. Using the tasks identified in the FAA as primary input, the FNA produces as output a list of capability gaps/shortfalls that require solutions, and indicates the time frame in which those solutions are needed. The sponsor leads the FNA.

Functional Solution Analysis (FSA)—It is an operationally based assessment of all potential DOTMLPF approaches to solving (or mitigating) one or more of the capability gaps (needs) previously identified. On the basis of the capability needs, potential solutions are identified, including (in order of priority) integrated DOTMLPF changes that leverage existing materiel capabilities; product improvements to existing materiel or facilities; adoption of interagency or foreign materiel solutions; and finally, initiation of new materiel programs. Identified capability gaps/shortfalls or redundancies (excess to the gap/shortfall) establish the basis for developing materiel approaches in ICD and/or DOTMLPF approaches through CJCSI 3180.01.

Fund Code: Two-digit number used in ABIDES to identify OSD's four-digit appropriation code. For example, appropriation 3400, AF O&M, is fund code 30 in ABIDES.

FYDP: Future Years Defense Program: A massive DoD database and internal accounting system that summarizes forces and resources associated with programs approved by the Secretary of Defense (SECDEF). Its three parts are the organizations affected, appropriations accounts (Research, Development, Test and Evaluation (RDT&E), Operation and Maintenance (O&M), etc.), and the 11 major programs (strategic forces, mobility forces, R&D, etc.). The FYDP allows a crosswalk between DoD's internal system of accounting via 11 major programs and congressional appropriations. The primary data element in the FYDP is the Program Element (PE). The FYDP is updated three times during a single Planning, Programming, Budgeting and Execution (PPBE) Process cycle: submission of the combined Program Objectives Memorandum (POM)/Budget Estimate Submission (BES) (usually August/September), and submission of the President's Budget (PB) (early February the year following).

GDF: Guidance for the Development of the Force: *(Legacy Term as of 2010).* This GDF was a single, fiscally informed document replacing the policy/strategy sections of the Strategic Planning Guidance (SPG). It, in turn, has been replaced by the Defense Planning and Programming Guidance. (see DPG.)

GEF: Guidance for the Employment of the Force: Strategic guidance from OSD that serves as the basis for the COCOM IPLs.

GDP: Gross Domestic Product: value of the total amount of goods and services produced by a nation.

GTBL: Getting to the Bottom Line: An AFB exercise to get all of the priority programs above the funding line with the rest of the DAF program reasonably balanced. In the end, their accepted disconnects and initiatives will equal the offsets or D+I=O.

Group: Second-level indenture within the ABIDES Viewer breaking a roll-up into identifiable Components. For example Flight Training, Initial, 18a, captures the costs associated with undergraduate flight training, and Flight Training Operational, 18b, captures weapon system qualification training. (See Roll-up and Program code)

Harmonization: The process and results of adjusting differences or inconsistencies to bring significant features into agreement (Joint Publication 1-02). It implies especially that comparatively minor differences in requirements should not be permitted to serve as a basis for the support of slightly different duplicative programs and projects.

Headroom: A year in the FYDP where there is more TOA than program. Years with headroom are the recipients of programs that slip or accelerate from years with more program than funding. Normally this is an out year.

Highly sensitive classified program: An acquisition special access program established in accordance with DoD 5200.1-R, Information Security Program Regulation, and managed in accordance with DoD Directive 5205.7, Special Access Program Policy.

HSI: Human systems integration: A disciplined, unified, and interactive approach to integrate human considerations into system design to improve total system performance and reduce cost of ownership. The major elements of HSI are manpower, personnel, training, human factors safety, health hazards, and personnel survivability.

IBRC: Investment Budget Review Committee: Chaired by the Director of Budget Investment, SAF/FMBI. It reviews the execution of investment programs, and recommends program adjustments to the AFCS.

ICD: Initial Capabilities Document: makes a case for capability to resolve gap identified by Joint Capabilities Integration & Development System (JCIDS) analysis. Defines gap in terms of functional areas, relevant range of military operations, time, obstacles to overcome, and key attributes with appropriate measures of effectiveness as well as proposes a recommended solution serving as the beginning for analysis of alternatives. Once approved, it is not normally updated.

Implementing command: The command or agency designated by the Air Force Acquisition Executive to manage an acquisition program.

Incremental Funding: The phasing of total funding of programs or projects over two or more fiscal years based upon levels and timing of obligational requirements for the funds. Differs from full funding concept where total funds for an end item, program, or project are provided in the fiscal year of program or project initiation, regardless of the obligational requirement for the funds.

Information security: The result of any system-of-policies and procedures for identifying, controlling, and protecting information from unauthorized disclosure, whose protection is authorized by executive order or statute.

Initiative: A new program not yet approved or approved and not previously funded in the FYDP or a change in an approved program's content requiring funds.

Innovation: Taking advanced technologies and putting them into the hands of the warfighter faster. Referred to as an "emerging concept" matched of an operational need a compelling military capability to an operational need. Current vehicles of innovation include Advanced Technology Demonstrations (ATDs), Advanced Concept Technology Demonstrations (ACTDs), Battlelab Initiatives (from the six AF Battlelabs), and Spiral Development.

In-production system: System for which the Air or Space Force is still accepting deliveries. (For example, the Air Force is still accepting Block 50 F-16 aircraft; they are in-production. This is not true for Block 30 F-16; this system is out of production, even though they are both F-16 aircraft. A modification on the Block 50 could be done at the factory, requiring an assembly line change. There is no opportunity to change the assembly line of the block 30.)

Input Sources: term used to describe those organizations (MAJCOMs, FIELDCOMs, FOAs, DRUs) in both the Air Force and Space Force who make inputs to each Service's respective POM build.

Intermediate Level Review (ILR): *(legacy term) Replaced by the Air Force Group in 2015.* Advised and provided recommendations to the Air Force Board (AFB) regarding major programming and other staffing issues. Conducted corporate reviews of the resource allocation process, enhanced the corporate decision process, and worked to shape and refine proposals prior to presentation to the AFB and the Air Force Council (AFC). Membership was at the Colonel/civilian equivalent level.

Interoperability: The ability of systems, units, or forces, to work in conjunction with other systems and provide services to or accept services from other systems, units, or forces and to use the services so exchanged to operate effectively together.

IOC: Initial operational capability: That first attainment of the capability to effectively employ a weapon, item of equipment, or system of approved specific characteristics with the appropriate number, type, and mix of trained and equipped personnel necessary to operate, maintain, and support the system. It is normally defined in the Capability Development Document (CDD) and the Capability Production Document (CPD).

IPL: Integrated Priority List: A list of combatant commanders highest priority requirements, prioritized across Service and functional lines. They define shortfalls in key programs that may adversely affect the combatant commander's mission. During the Program Review, OSD and JCS evaluate how well Service POMs support the Combatant Commander IPLs.

ISP: Intelligence Support Plan: The authoritative reference document for identifying, planning, and monitoring implementation of intelligence infrastructure requirements for a system from need definition through system retirement.

Issue Books: The compilation of issue papers by OSD that require 3-star Group and SLRG deliberations. The issue papers come from analysis of the Service POMs, inputs from Combatant Commanders, OSD, and OMB. Everyone has an opportunity to comment regarding the issues. Service staffs prepare Facing Slides for issues in the book to prepare their representatives for the 3-star Group and SLRG.

IWSM: Integrated Weapon System Management: A management concept created to consolidate responsibility for managing all facets of the development, production, modification, support, and retirement of a weapons system under a single manager.

J-Books: Budget Justification Documentation: Supporting documentation provided to OSD with the BES and to Congress with the PB showing how and why the DAF intends to use the funds requested in the budget. Justification is by appropriation and program. For O&M, accounts justification is by Sub-Activities such as base support within four Activity-Groups, Combat Forces, Mobility Forces, Training/Recruiting, and Admin/Service-wide support. See Omnibus Reprogramming for importance.

Joint Capabilities Board (JCB)—The JCB functions to assist the JROC in carrying out its duties and responsibilities. The JCB reviews and, if appropriate, endorses all JCIDS and DOTMLPF proposals prior to their submission to the

JROC. The JCB is chaired by the Joint Staff, J-8, Director of Force Structure, Resources, and Assessment. It is comprised of Flag Officer/General Officer representatives of the Services.

JCIDS: Joint Capabilities Integration and Development System: CJCS system for identifying, assessing, and prioritizing joint military capability needs through the Joint Requirements Oversight Council (JROC). It implements a capabilities-based approach to better leverage the expertise in all government agencies, industry, and academia to identify improvements to existing capabilities, and to develop new warfighting capabilities. JCIDS products are the ICD, CDD, and CPD in support of major systems acquisition.

JDP: Joint Potential Designator: The JPD establishes the body responsible for final validation and approval of the Joint Capabilities Integration and Development System (JCIDS) document, any certifications that may be required (e.g., National Security System (NSS) and Information Technology System (ITS) interoperability and supportability certifications, or intelligence or munitions insensitivity certifications), and the staffing distribution for the document. According to CJCSI 3170.01C, there are four Joint Potential Designators as shown below:

<u>**JROC (Joint Requirements Oversight Council) Interest:**</u> Applicable to all Acquisition Category (ACAT) I/IA programs and programs designated as JROC Interest. All Capstone Requirements Documents (CRDs) will be designated as JROC Interest. The JROC validates and approves the Joint Capabilities Integration and Development System (JCIDS) documents of JROC Interest programs.

<u>**Joint Impact:**</u> Applicable to all Acquisition Category (ACAT) II and below programs where the concepts and/or systems associated with the document affect the joint force such that an expanded review is appropriate in order to ensure the most appropriate and effective solution is developed for the joint warfighter. The Functional Capabilities Board (FCB) validates and the DoD Component approves the Joint Capabilities Integration and Development System (JCIDS) documents of Joint Impact programs.

<u>**Joint Integration:**</u> Applicable to Acquisition Category (ACAT) II and below programs where the concepts and/or systems associated with the document do not significantly affect the joint force and an expanded review is not required, but interoperability, intelligence, or munitions certification is required. The DoD Component validates and approves the Joint Capabilities Integration and Development System (JCIDS) documents of Joint Integration programs.

<u>**Independent:**</u> Applicable to Acquisition Category (ACAT) II and below programs where the concepts and/or systems associated with the document do not significantly affect the joint force, an expanded review is not required, and no certifications are required. The DoD Component validates and approves the Joint Capabilities Integration and Development System (JCIDS) documents of Independent programs.

Joint: A potential for joint program management, joint funding, and joint development or procurement exists. (CJCSI 3170.01)

Joint Functional Concept (JFC)—An articulation of how a future Joint Force Commander will integrate a set of related military tasks to attain capabilities required across the range of military operations. Although broadly described within the Joint Operations Concepts, they derive specific context from the Joint Operating Concepts and promote common attributes in sufficient detail to conduct experimentation and measure effectiveness.

Joint Operating Concept (JOC)—An articulation of how a future Joint Force Commander will plan, prepare, deploy, employ, and sustain a joint force against potential adversaries' capabilities or crisis situations specified within the range of military operations. Joint Operating Concepts guide the development and integration of Joint Function

Concepts (JFCs) to provide joint capabilities. They articulate the measurable detail needed to conduct experimentation and allow decision makers to compare alternatives.

Joint Operations Concepts (JOpsC)—A concept that describes how the Joint Force intends to operate in 15 to 20 years from now. It provides the operational context for the transformation of the Armed Forces of the United States by linking strategic guidance with the integrated application of Joint Force capabilities.

Joint program—Any Defense acquisition system, subsystem, Component, or technology program involving formal management or funding by more than one DoD Component during any phase of a system's life-cycle.

Joint Programming Guidance (JPG): *Legacy term as of 2010.* This document, issued by the Secretary of Defense, provided firm guidance in the form of goals, priorities, and objectives, including fiscal constraints, for the development of the Military Departments, Defense agency, and USSOCOM POMs. It has been replaced by the Defense Planning and Programming Guidance (see DPPG.)

JROC: Joint Requirements Oversight Council: The Joint Requirements Oversight Council is responsible to the Chairman of the Joint Chiefs of Staff for assessing military requirements supporting of the system acquisition process. The Vice Chairman of the Joint Chiefs of Staff chairs the Council and decides all matters before the Council. The permanent members include the Vice Chiefs of the Army and Air Force, the Vice Chief of Naval Operations, the Vice Chief of Space Operations, and the Assistant Commandant of the Marine Corps. The Council directly supports the Defense Acquisition Board through the review, validation, and approval of military requirements at the start of the acquisition process, prior to each milestone review, or as requested by the Under Secretary of Defense for Acquisition.

Kick the Can: Delay a decision on a program or move program content to the out years (move it to the right), or take the risk of fixing it in execution.

KPP: Key performance parameter: Those minimum attributes or characteristics considered most essential for an effective military capability. KPPs are validated by the Joint Requirements Oversight Council (JROC) for JROC Interest documents, by the Functional Capabilities Board (FCB) for Joint Impact documents, and by the DoD Component for Joint Integration or Independent documents. The Capability Development Document (CDD) and the Capability Production Document (CPD) KPPs are included verbatim in the Acquisition Program Baseline (APB). (CJCSI 3170.01C)

Large Group: One of a number of SECDEF advisory groups that may provide recommendations to SECDEF in development of the OSD POM. Service participation in the Large Group is usually invited.

Lead command: The command who serves as operators interface with the Single Manager for a weapon system, but not to be confused with that MAJCOM designate by HQ AF/A5R as OPR for authoring a requirements document. Although, in most cases, the MAJCOM designated by HQ AF/A5R to sponsor a requirement will become the "lead command" for a weapon system.

Least Dear: Those programs or initiatives with the lowest priority for funding

Level of effort programs: Programs with generally identifiable content, but no clear metric for meeting "full funding" criteria. Examples are BOS and RPM.

Limit: The limitation or subhead is a four-digit suffix to the U.S. Treasury account number (basic symbol). The limitation is used to identify a subdivision of funds restricting the amount or use of funds for a certain purpose, or identifies sub-elements within the account for management purposes. On accounting documents, the limitation is preceded by a decimal point. If there is no limitation, leave these positions blank.

Logistics Support Analysis: The selective application of scientific and engineering efforts undertaken during the acquisition process. As part of the systems engineering process, logistics support analysis assists: causing support considerations to influence design; defining support requirements related optimally to design and to each other; acquiring the required support; and providing the required support during the operational phase at minimum cost.

LRIP: Low-rate initial production: The production of a system in limited quantity to provide articles for operational test and evaluation, to establish an initial production base, and to permit an orderly increase in the production rate sufficient to lead to full-rate production on successful completion of operational testing.

MAIS: Major Automated Information System: An acquisition program that is: 1) designated by the ASD(NII) as an MAIS; or 2) estimated to require program costs in any single year in excess of $32 million (FY 2000 constant dollars), total program in excess of $126 million (FY 2000 constant dollars), or total Life Cycle Costs (LCCs) in excess of $378 million (FY 2000 constant dollars). MAISs do not include Information Technology (IT) that involves equipment that is an integral part of a weapon system or is an acquisition of services program.

Major System: A combination of elements that shall function together to produce the capabilities required to fulfill a mission need, including hardware, equipment, software, or any combination thereof, but excluding construction or other improvements to real property. A system shall be considered a major system if it is estimated by the DoD Component Head to require an eventual total expenditure for Research, Development, Test and Evaluation (RDT&E) of more than 140 million in FY 2000 constant dollars, or for procurement of more than 660 million in FY 2000 constant dollars, or is designated as major by the DoD Component Head.

Manpower and Personnel—The identification and acquisition of military and civilian personnel with the skills and grades required to operate and support a materiel system over its lifetime at peacetime and wartime rates.

Materiel Management: Direction and control of those aspects of logistics which deal with materiel, including the functions of identification, cataloging, standardization, requirements determination, procurement, inspection, Quality Control (QC), packaging, storage, distribution, disposal, maintenance, mobilization planning, industrial readiness planning, and item management classification; encompasses materiel control, inventory control, inventory management, and supply management.

MBI: Major Budget Issue: Those few, most significant issues the Services have with adjustments made by OSD PBDs during the Budget Review Cycle. They are tentatively identified when the corporate structure builds the reclama to the PBD. They are either a policy or a funding issue of great concern to the DAF. The first effort to resolve MBIs is between the Assistant Secretary of the Air Force (Financial Management and Comptroller (SAF/FM) and the Under Secretary of Defense (Comptroller) (USD(C)) in an "Out of Court" Session. Those issues not resolved in that meeting are discussed between the SECAF, CSAF, CSO, and SECDEF.

MCP: Major Change Proposal: For the FY 22-26 programming exercise, OSD directed Components to submit Major Change Proposals instead of POMs. MCPs were programming submissions with some limitations. This approach in limiting the Component programming activities and in turn their programming deliverables, was in response to the COVID crisis.

MDA: Milestone Decision Authority: Designated individual with overall responsibility for a program. The MDA shall have the authority to approve entry of an acquisition program into the next phase of the acquisition process and shall be accountable for cost, schedule, and performance reporting to higher authority, including congressional reporting. (DoDD 5000.1)

MDAP: Major defense acquisition program: An acquisition program that is designated by the Under Secretary of Defense (Acquisition, Technology, and Logistics) (USD(AT&L)) as an MDAP, or estimated by the USD(AT&L) to require an eventual total expenditure for Research, Development, Test and Evaluation (RDT&E) of more than 365 million in Fiscal Year (FY) 2000 constant dollars or, for procurement, of more than 2.19 billion in FY 2000 constant dollars.

MDS: Mission Design Series: System by which military aircraft are identified. Mission is fighter (F), Bomber (B), Cargo (C), etc., design is its design number during development, and series represents any major changes: for example F-15A, B, C, D, E or the C-5A and C-5B. Some aircraft haven't changed enough structurally to get an entire series identification, so they may have a block identification associated with their production run. The F-16C and D represent the single seat and two seat series upgrades from the F-16 A/B, but they have several different blocks based on avionics or other minor configuration enhancements. The B-2A went from block 10 to block 20, and then block 30 as the final production configuration was achieved. Early B-2s were sent back through the production line to become block 20s and sent through again to become block 30s. The last few B-2s were produced as block 30s. In the case of the F-16, the variances came because of the very long production run of the F-16C, and the continuing improvements in technology. For the B-2, it was because of the overlap of test and production.

MFP: Major Force Program: MFPs are directed by Congress to identify funds in areas of activity or capability regardless of the Service. MFP code is the first 2 numbers of each 8-digit PE. The PE for B-52s and SSBNs both start with 01 for strategic forces, while Air to Ground fighters, destroyers and Apache Helicopters all start with 02 for general purpose forces

MID: Management Initiative Decision: A decision document similar to a Program Budget Decision, but designed to institutionalize management reform decisions. A MID may be issued at any time during the year. The OSD Comptroller incorporate any funding adjustments into the next President's Budget. No MIDs have been issued since FY2007.

MID 913: Management Initiative Decision 913: An OSD directive issued in 2003 implementing a 2-Year Planning, Programming, Budgeting, and Execution Process. This directive stated OSD would evolve from an annual POM/BES cycle to a biennial (2-year) cycle. The Department would formulate 2-year budgets and use the off year to focus on budget execution and program performance. MID 913 has been overcome by events of the OSD FY10.5 and FY11 Review processes, and the biennial cycle it mandated was superseded by OSD Guidance in spring 2010 directing the DoD to return to an annual POM/BES cycle.

Milestones: The point at which a recommendation is made and approval sought regarding starting or continuing an acquisition program, i.e., proceeding to the next phase. Milestones established by DoDI 5000.2 are: MS A that approves entry into the Technology Development (TD) phase; MS B that approves entry into the System Development and Demonstration (SDD) phase; and MS C that approves entry into the Production and Deployment (P&D) phase. Also of note are the Concept Decision (CD) that approves entry into the Concept Refinement (CR) phase; the Design Readiness Review (DRR) that ends the System Integration (SI) effort and continues the SDD phase into the System Demonstration (SD) effort; and the Full Rate Production Decision Review (FRPDR) at the end of the Low Rate Initial Production (LRIP) effort of the P&D phase that authorizes Full Rate Production (FRP) and approves deployment of the system to the field or fleet.

Mini-Skulls: last-minute preparation of senior DAF leaders, such as the CSAF, CSO or SECAF, to defend the DAF program or budget, usually the morning of the event, and usually focused on the most critical issues.

Mission Area: Obsolete, see Functional Area

Mission deficiency: The inability to accomplish an operational or support task required to achieve a military objective.

Modification: An alteration to a produced material item applicable to aircraft, missiles, support equipment, trainers, etc. As a minimum, the alteration changes the fit or function of the item.

MOE: Measure of Effectiveness: A qualitative or quantitative measure of a system's performance or a characteristic indicating the degree it performs the task or meets a requirement under specified conditions. MOEs should be established to measure the system's capability to produce or accomplish the desired result.

MOP: Measure of Performance: A quantitative measurement of the system's capability to accomplish a task. Typically, it is in the area of physical performance (e.g., range, velocity, throughput, payload.).

Most Dear: Those programs or initiatives with the CSAF's and SECAF's highest priority for funding

NDI: Non-developmental Item: NDIs are: Any item commercially available in the market place; any previously developed item in use by a department or agency of the United States, a state or local government, or a foreign government with which the United States has a mutual defense cooperation agreement; any of the above items requiring only minor modifications to meet the requirements of the procuring agency; any of the above items of supply currently produced but is not yet in use or is not yet available in the commercial marketplace, or any commercial-off-the-shelf (COTS) item.

NSC: National Security Council: The National Security Council is chaired by the President. Its statutory members, in addition to the President, are the Vice President and the Secretaries of State and Defense. The Chairman of the Joint Chiefs of Staff is the statutory military advisor to the Council, and the Director of Central Intelligence is the intelligence advisor. The Secretary of the Treasury, the U.S. Representative to the United Nations, the Assistant to the President for National Security Affairs, the Assistant to the President for Economic policy, and the Chief of Staff to the President are invited to all meetings of the Council. The Attorney General and the Director of the Office of National Drug Control Policy attend meetings pertaining to their jurisdiction; other officials are invited, as appropriate.

NSS: National Security Strategy: Broad document published by the NSC outlining the defense, economic, internal, and international security objectives of the United States. Specific recommendations or directives are written as Presidential Decision Directives (PDDs) or Presidential Review Directives (PRDs).

Need: The identification of a mission deficiency satisfied by a materiel or non-materiel solution.

Negative Wedge: Taking anticipated savings from a program prior to implementing the initiative, and understanding the actual savings, e.g., Competitive Sourcing and Privatization.

New Start: An item or effort appearing in the President's Budget (PB) for the first time; an item or effort that was previously funded in basic or applied research and is transitioned to Advanced Technology Development (ATD) or engineering development; or an item or effort transitioning into procurement appearing in the PB for the first time in the investment area. Often confused with program initiation, an acquisition term that describes the milestone decision that initiates an acquisition program.

Non-discretionary Spending: Those expenses or entitlements Congress defines and Treasury must outlay funds against when presented. For example, payment of unemployment compensation or interest on the national debt. Funds are available until Congress takes a positive step to stop the entitlement or program such as repealing legislation or enacting a sundown clause.

Normalized: (1) Database – To render constant or to adjust for known differences. (2) Dollars – Various fiscal year costs are inflated/deflated to a common year basis for comparison.

O&M, Operations and Maintenance: Annual appropriation for operating expenses, such as fuel, utilities, real property maintenance. O&M is programmed in each individual program, but the Operating Budget Review Committee (OBRC) reviews it as part of the AFCS, and SAF/FMBO executes it through the field commands.

OBAN: Operating Budget Account Number: A two-digit number assigned by the operating agencies (e.g., MAJCOMs) to identify a specific operating budget. This term is comparable to "allotment serial number."

OBAD: Operating Budget Authority Document: Documents issued from a higher headquarters containing operating budget authorities for a given fiscal year. The OBAD will grant obligation authority for only the Operations and Maintenance Appropriation. The OBAD identifies both annual programs and cumulative programs.

Obligation(s): The legal reservation of a specific amount of funds associated with a firm contract or other obligating document. An obligation represents a legal and binding promise to purchase a service or supply item from a vendor. Amounts of orders placed, contracts awarded, services received, and similar transactions during an accounting period requiring payment during the same or future period. Such amounts include payments, for which obligations previously were not recorded, and adjustments for differences between obligations previously recorded and actual payments to liquidate those obligations. There are three types of obligations: Undelivered Orders Outstanding (UOO), Accrued Expenditures Unpaid (AEU), and Accrued Expenditures Paid (AEP).

Obligation Authority: The sum of (1) budget authority provided for a given fiscal year, (2) balances of amounts brought forward from prior years remaining available for obligation, and (3) amounts authorized to credited to a specific fund or account during that year, including transfers between funds or accounts. (See "Budget Authority.")

Obligation Rate: The percentage of funds obligated over time. Used by OSD to evaluate program financial execution; metric forecasts expenses. OSD sets obligation rate goals varying by appropriation code. For example, programs should obligate 90% of 3600 RDT&E funds in their first year of availability, while most procurement, 3010, 3020, 3011, is 80%, and 3400 O&M is 80% in the first 9 months of a year, with 100% by the end of a year.

Objective: The objective is that value desired by the user, which could potentially have a measurable increase in performance over the threshold. An objective value may be the same as the threshold when an operationally significant increment above the threshold is not significant or useful. (CJCSI 3170.01C)

Offset: Resources offered to "pay" for a Program Change Request action, disconnect, or initiative; funds in an existing approved program removed from the program to fund higher priority requirements. Funds should be excess to need in the approved program or they will create a disconnect.

OMB: Office of Management and Budget: An element of the President's Executive Staff responsible for developing and presenting the President's Budget to Congress between the 1st Monday in January and the 1st Monday in February each year. OMB reviews and integrates each department's budget into a unified federal budget submission. Because the Defense Department represents such a large part of the discretionary budget, and the review effort is so time-consuming, OMB analysts participate in the OSD review rather than conducting a separate review of their own.

Omnibus Reprogramming: Single, all-encompassing request from OSD submitted through OMB to Congress each year requesting realignment of appropriated funds to improve financial execution. Provides line-item justification for transfer from a losing program appropriation (source) to a gaining program appropriation (requirement).

Operating Command: The command primarily operating a system, subsystem, or item of equipment; generally applies to those operational commands or organizations designated by Headquarters, U.S. Air Force to conduct or participate in operations or operational testing. Interchangeable with the term "Using Command" or "user."

Operational Assessment: An analysis of potential operational effectiveness and operational suitability made by an independent operational test activity, with user support as required, on other than production systems. The focus of an operational assessment is significant trends noted in development efforts, programmatic voids, areas of risk, adequacy of requirements, and the ability of the program to support adequate operational testing. Operational assessments may be made at any time using technology demonstrators, prototypes, mock-ups, engineering development models, or simulations, but will not substitute for the independent operational test and evaluation necessary to support full production decisions.

Operational Effectiveness: The overall degree of mission accomplishment of a system used by representative personnel in the environment, planned or expected (e.g., natural, electronic, threat, etc.), for operational employment of the system; considers organization, doctrine, tactics, survivability, vulnerability, and threat (including countermeasures, initial nuclear weapons effects, nuclear, biological, and chemical contamination [NBCC] threats).

Operational Reliability and Maintainability Value: Any measure of reliability or maintainability that includes the combined effects of item design, quality, installation, environment, operation, maintenance, and repair.

Operational Suitability: The degree to a system can be placed in field use satisfactorily with consideration given to availability, compatibility, transportability, interoperability, reliability, wartime usage rates, maintainability, safety, human factors, manpower and, logistics supportability, natural environmental effects and impacts documentation, and training requirements.

Originating Command: The Air Staff office, major command, or field operating agency who prepares a document in compliance with this instruction. Includes civilian pay, installation repair and maintenance and minor construction, flying hour costs, travel pay, service and support contract costs, transportation costs, purchase of supplies and non-capital equipment, and depot maintenance as examples. The account for the Active Air Force is appropriation 3400; the account for the Air Force Reserve is appropriation 3740 and the account for the ANG is appropriation 3840. Funds are available one year for obligation.

Outlay: The amount of checks issued or other payments made (including advances to others), net of refunds, and reimbursements. Outlays are net of adjustments to obligational authority. The terms "expenditure" and "net disbursement" are frequently used inter-changeably with the term "outlay." Gross out-lays are disbursements, and net outlays are disbursements (net of refunds) minus reimbursements collected.

Out Years: Normally the years of the FYDP not included in the execution or budget years, but can be years beyond the FYDP. From the time a fiscal year enters the programming years until it becomes the execution year, there are 18 opportunities to adjust funding and content within it and, therefore, change it significantly. Hence the saying, "the out years never get here."

Overseas Contingency Operations: A separate funding account created in 2012 (previously known as "Global War on Terror" funding from 2003-2011.) OCO funds originally supported operations primarily in Iraq and Afghanistan in the early 2000s and became a separate, concurrent budget request with the President's Budget submission from 2012 to 2020. As southwest Asia operations lessened, the OCO account was integrated back into the general President's Budget submission in calendar year 2020.

Participating Command: A command or agency designated by the Air Force Acquisition Executive to advise the program manager and to take an active part in developing a new system. The supporting command is also a participating command.

PB: President's Budget: The budget for a particular fiscal year transmitted to the Congress by the President in accordance with the Budget and Accounting Act of 1921, as amended. Some elements of the budget, such as the estimates for the legislative branch and the judiciary, are required to be included without review by the Office of Management and Budget or approval by the President. The PB is assemble by Office of Management and Budget and presented to Congress no earlier than the 1st Monday in January, and no later than the 1st Monday in February each year.

PBES: Program Budget Enterprise System: The current DAF Budget database and the official source of program and funding for data the DAF. Replaced the ABIDES database for the FY23 PPBE cycle (calendar year 2021.)

PBD: Program Budget Decision: A budget decision document issued during the joint review of Service budget submissions by analysts of the Office of the Secretary of Defense (OSD) and the Office of Management and Budget (OMB). PBDs reflect the decisions of the Secretary of Defense appropriate program and funding adjustments to a Service BES that, in turn, is included in the President's Budget.

PBR: Program Budget Review: (Legacy Term) Until the FY17-21 PPBE cycle, the POM and BES were submitted and concurrently reviewed at the OSD level. As of 2015, the two Reviews (Program Review and Budget Review) are now separate.

PCP: Program Change Proposals: *While revised to "change proposals" in the FY 2007-2011 Program and Budget review process", it is included here to provide a more complete description of the terms used in the DoD Financial Management Regulation.* The instrument by which the Services were allowed to make limited adjustments to their Programs in the *"off-year."* in lieu of a Program Objectives Memorandum (POM). Projected program increases must be accompanied by specific program decreases of equal value. PCPs were resolved through Program Decision Memorandums (PDMs) or PBDs, but have not been used since FY2007.

PCR: Program Change Request: Document used to request an out-of-cycle change to the FYDP program structure (during the execution and budget years). Can be initiated by Headquarters Air Force, the MAJCOMs, or other programming agencies. Changes to the Air Force Program beginning beyond the execution and budget years should be part of the Program Agency initiatives or disconnects during the next programming phase.

PD: Program Decision: For the FY22-26 Program Review, the OSD directive document containing program adjustments to the impacted Components.

PDM: Program Decision Memoranda: A document containing the decisions by the Secretary of Defense regarding the program and resource levels identified in the Service Program Objective Memorandum.

Peanut Butter Spread: Percentage cut spread among all eligible programs to create an offset when a single bill payer isn't readily discernable or forthcoming. Normally this is used to pay a corporate bill or to spread TOA reductions not applied to exempted programs.

PEC: Program Element Code/Program Element: A description of a mission by the identification of the organizational entities and resources needed to perform the assigned mission. Resources consist of forces, manpower, materiel quantities, and costs, as applicable. The program element is the basic building block of the Future Years Defense Program. Used by the OSD to group funds by major force program and specific programs,

the code is structured to show the major force program (01 to 11), any special categories such as a budget activity (2 digits), a unique, specific program such as undergraduate flying training (3 digits), and the Service (single letter, F = Air Force, S = Space Force.) The program element is 8 digits for OSD. In ABIDES, the program element codes were 6 digits, the first 0 was dropped (for MFP 10, 11, and 12 DAF used a, b, and c respectively.) Within the current DAF database PBES, PEs are reflected as 8 digits. PEC and PE are often used interchangeably. Changes to PEs must be coordinated through AF/A8PE, SF/S8N, and OSD CAPE for approval.

PEM: Program Element Monitor: Individual charged with monitoring all aspects of a programs' programming, budgeting, and execution to advise the Corporate Structures or Using Command regarding issues.

PEO: Program Executive Officer: A military or civilian official who has primary responsibility for oversight of several ACAT I programs, and for assigned ACAT II and III programs. A PEO has no other command or staff responsibilities within the Component, and only reports to and receives guidance and direction from the DoD Component Acquisition Executive.

Program Guidance Memorandum (PGM): Document developed by the "Engine Room", AF/A8PE, that applies a "programming spin" on the PPG. The PGM is also a companion document to the POM Preparation Instruction (PPI) that also is developed by AF/A8PE for the Air Force. A separate PPI is issued by SF/A8N for the Space Force.

Performance: Those operational and support characteristics of the system allowing it to perform its assigned mission over time effectively and efficiently. The support characteristics of the system include both supportability aspects of the design and the support elements necessary for system operation.

Personnel: Those individuals required in either a military or civilian capacity to accomplish the assigned mission. Also, Manpower and Personnel

Plus Up: Increase in Topline

PM/PD Program Manager/Program Director: The individual designated in accordance with criteria established by the appropriate Component (DAF) Acquisition Executive to manage an acquisition program, and appropriately certified under the provisions of the DAWIA. PM is responsible for the execution of a program within the approved Acquisition Program Baseline. This individual is accountable to the AFAE through the Program Executive Officer (PEO) if the program is a PEO Program, or through the Designated Acquisition Commander (DAC) if the program is a DAC Program. A PM has no other command or staff responsibilities within the Component. Also, System Program Director (SPD) or System Manager (SM).

PMD: Program Management Directive: The official DAF document used to direct acquisition or modification responsibilities to appropriate DAF MAJCOMs or FIELDCOMs for the development, acquisition, modification, or sustainment of a specific weapon system, subsystem, or piece of equipment. It is used throughout the acquisition cycle to terminate, initiate, or direct research for development, production, or modifications for which sufficient resources are identified. States program unique requirements, goals, and objectives, especially those to meet at each acquisition milestone or program review. (See HOI 800-2, Policy and Guidance for Preparing Program Management Directive.)

PMO: Program Management Office: Office led by a program director charged with the life-cycle responsibility for a program under the IWSM process. Can be part of a System Program Office (SPO),led by a System Program Director, but more often the term is used interchangeably with SPO.

POM: Program Objective Memorandum: The final product of the programming process within the Department of Defense, the Components' POM displays the resource allocation decisions of the Military Departments in responding to and in accordance with Defense Guidance.

PPBE: Planning, Programming, Budgeting and Execution System: The primary Resource Allocation Process (RAP) of DoD. It is one of three major decision support systems for defense acquisition along with Joint Capabilities Integration and Development System (JCIDS) and the Defense Acquisition System. It is a formal, systematic structure for making decisions on policy, strategy, and the development of forces and capabilities to accomplish anticipated missions. PPBE is annual process which produces a Defense Planning and Programming Guidance, an approved Program Objectives Memorandum (POM) for the Military Departments and Defense Agencies covering five years, and the DoD portion of the President's Budget (PB) covering one year.

PPI: POM Preparation Instruction: Each year, prior to the kick off of the POM (usually in the December time frame), AF/A8PE (Air Force) and SF/A8N (Space Force) publishes process guidance in a document called the POM Preparation Instruction.   Contents of that document typically include detailed instructions on the content and construction of options and supporting documentation, a list of Panels active in that year's POM, rules governing the Baseline Extension and Zero Balance transfers, policy on the treatment of manpower chances, and the like.

Procurement Accounts: Appropriations for the purchase of DAF capital equipment and weapons. Appropriation 3010 is for aircraft, aircraft modifications, and initial spares; 3011 is for munitions; 3020 is for missiles; 3080 is for other procurement of equipment.

Product Group Manager: The single manager who is charged with all cost, schedule, and performance aspects of a **product group**: a compilation of several specific products in all life cycle phases that are characterized by an ongoing development requirement as well as a much larger cumulative sustainment effort, and is in direct support of one or more weapon system or military system program director.

Program: An organized set of activities directed toward a common purpose, objective, or goal undertaken or proposed by an agency to carry out responsibilities/mission assigned to it.

Program Code: Program codes identify funding for programs at the lowest system level and reside in PBES. Examples would be F-16 crew upgrade training operations, or T-6 acquisition costs.

Program Content: What a Corporate Structure expects the program to deliver in any given year based on planning documents such as the PGM, PPGM or acquisition plan, guidance from the CSAF, CSO and SECAF, direction from OSD via a PDM or PBD, or the will of Congress as expressed in law or report language. Also, approved program.

Program Cost: The total of all expenditures, in any appropriation or fund, directly related to the AIS definition, design, development, and deployment, and incurred from the beginning of the "Concept Exploration" phase through deployment at each separate site. For incremental and evolutionary program strategies, program cost includes all increments.   Program cost does not include operations and support costs incurred at an individual site after operational cut over of any increment at that site, even though other sites may exist and are not yet completed deployment.

Program Decision: for the FY22-26 PPBE cycle, a Program Decision (PD) is the OSD directive document that records OSD-directed changes to a Component's program in the wake of the Program Review.

Program and Budget Review Cycle: Formal review conducted by the Program and Budget Review Meeting (formally 3-star Programmers' Group) and the DMAG of Service POM submissions for compliance with the Defense Planning and Programming Guidance (DPG), Combatant Commander IPLs, and other strategic guidance.

Conducted sequentially prior to the OSD Budget Review, which examines Service budget submissions for fiscal compliance and executability. Significant activity begins with submission of the Service Program/Budget Review submission in summer and ends with final adjudication of OSD Resource Management Decisions (RMDs) in the late autumn.

Program and Budget Review Meeting: New, (as of 13 Sep 2019) review body that replaces the 3-Star Programmers meeting. Program and Budget Review Meeting will continue to support the DMAG as did the legacy 3-Star meeting.

Program to Plan Guidance (PPG): Related to the SMP, the PPG can be used to provide updated planning and programming guidance to the DAF as a result of senior leader discussions/decisions that take place during the 4-Star Summarizing Event meeting.

Program Resource Managers Group (PRMG): (legacy term) Replaced by the Resource Management Group in the FY 24-28 PBR. OSD review body that was formerly known as the 3-Star Programmers meeting. PRMG is very active during OSD's Program Review.

QDR: Quadrennial Defense Review: Congressionally directed review of defense vision, force structure, and objectives. DoD and JCS conduct the review with the input of the Services, and provide a report to a National Defense Panel (NDP), appointed by Congress. The NDP then provides Congress their assessment of the QDR. *Legacy process; the QDR is no longer required and was last published in 2016.*

QFR: Question for the Record: Questions asked during Congressional Testimony deferred at the time, but requiring a formal response, are entered into the Congressional Record. Focal point is SAF/FML appropriation committee questions and SAF/LL for all other committees

RAA DATE Required Assets Available date: A date agreed to by Headquarters, Air Force Material Command and the using command where sufficient equipment, personnel, and logistics elements are available to the operational command to begin a trial period for equipment operation and support capability before initial operational capability declaration. Logistics elements include approved operational support equipment, critical spares, verified technical manuals, and training programs and courses.

Ramp Down: The reduction in annual funding levels over time as a program is reduced or eliminated in the FYDP.

Ramp Up: The increase in annual funding levels over time as a program is introduced or increased in the FYDP

RAPIDS: **Resource Allocation Programming Information Decision System:** *legacy tool, no longer used.* This AF/A8PE software application served two primary purposes: developing the "perfect slide" to brief program options to the AFCS, and creating funding change documents passed to ABIDES.

RCT: Requirements Correlation Table: A three-part table, specific to Air Force-generated CDDs and CPDs, which provides an audit trail of the performance attributes an desired capabilities identified in the text of these documents. The RCT lists operator-identified performance attributes and capabilities with accompanying thresholds and objectives; identifies operator recommended key performance parameters; provides supporting rationale justifying each threshold obtained from the AoA or concept studies; and provides a concise summary to ensure decision makers have the necessary data to make informed decisions.

Read Aheads: Briefing or facer material provided in advance of the meeting or briefing to prepare participants to discuss the issues in the briefing. Usually transmitted electronically to Group, Board, or Council members.

Reclama: A formal response to an Issue Paper during OSD PBR that provides additional justification or clarification of a Service programming or budgetary issue to OSD and OMB reviewing authorities with the objective of sustaining the MilDept (DAF) position. Reclamas are vetted at the AFB or SFB.

Reprogramming: Realignment of budget authority from where Congress appropriated it to finance another (usually emergent, un-funded) requirement in a different appropriation. Below-threshold reprogramming is accomplished within the Services. Congress authorizes the threshold amounts for realignment in advance. Reprogramming actions above the approved threshold must be sent back to Congress for approval. Approval is a two-step process. Congressional staff consents to the sources to use and the requirements to be funded. It only takes one person to disapprove a source or a requirement. If a source is disapproved, then the Service must spend the money for what it was appropriated.

Requirement: A recommended solution to a mission deficiency, when validated and approved, justifies the timely allocation of resources to achieve a capability to accomplish military objectives, missions, or tasks.

Resource Allocation Plan (RAP): 30-year projection of Air Force force structure that is developed and reviewed during the 4-Star Planning Choices meeting typically held in Nov. The RAP consists of a database with an accompanying narrative.

Resource Management Decision (RMD): *(as of 2016 a legacy document. Replaced by the Program Decision Memoranda (PDM) for Program Issues and Program Budget Decisions (PBD) for Budget Issues.*) The RMD is an OSD document that directs changes to the Services' programs. RMDs were first issued to the Services in April 2009 to reflect budget changes directed by the Obama Administration. RMDs have replaced PDMs and PBDs as the OSD-issued directive guidance resulting from the Integrated Program Budget Review.

Resource Management Group (RMG): starting with the FY 24-28 Program Review and Budget Review (PBR), the Resource Management Group (RMG) replaces the Program Resource Managers Group (PRMG) as the initial corporate body in the OSD Corporate Structure. The RMG is convened to review and adjudicate actions and/or issues elevated during OSD's program Review and Budget Review.

Revisit: Programs requiring further discussion than cannot be accomplished in the current session of the AFCS due to insufficient information or the introduction of additional information.

Risk: Fact of life in planning and programming for forces and resources in a fiscally constrained environment. The Services measure the risks they take at every step of the PPBE. See Fix it in Execution and At Risk Program.

RRR: Rapid Response Process: An expedited process for documenting and staffing materiel solutions to urgent, time-sensitive requirements. The process is fully described in AFI 63-114.

Roll-up: 1) Informal term to describe the process of considering several similar but small issues requiring a single policy decision. For example, disconnects for C-130, F-15, and AWACS technical orders could be a roll-up issue.

RPM: Real Property Maintenance: Maintenance and repair of facilities and the accomplishment of minor construction financed by O&M funds instead of the MILCON appropriation. Requirement usually expressed in terms of percentage of "plant replacement value," the total value of all DAF buildings, roads, utilities, runways, etc.

RPS: Real Property Services: Account for services such as fire protection or crash rescue, utility plant operations, purchased utilities, annual service contracts (e.g., refuse, custodial, elevator maintenance and inspection, overhead door repairs, etc.) snow removal, etc.

SAMP: Single Acquisition Management Plan: A SAMP is required by SAF/AQ for all ACAT I and II programs, and is optional for ACAT III programs. The SAMP is a comprehensive, integrated document discussing all relevant aspects of a program supporting of a MS decision. As a program management strategy document, it consolidates required documentation, and is tailored for the specific needs of the program. The SAMP is structured to streamline the oversight and statutory requirements contained in all other management plans for all levels above the PEO or DAC.

SE: SEEK EAGLE: The Air Force certification program for determining safe carriage, employment and jettison limits, safe escape, and ballistics accuracy, when applicable, for all stores in specified loading configurations on United States Air Force and Foreign Military Sales (FMS) aircraft. SE includes compatibility analyses for fit, function, electromagnetic interface, flutter, loads, stability and control, and separation; stores loading procedures; ground and wind tunnel tests; and flight tests. The end product is source data for flight, delivery, loading manuals, and the weapon ballistics portion of the aircraft operational flight program.

Selected Programs: Those programs, normally acquisition category II, selected by the Air Force acquisition executive for special oversight and assigned to the management portfolio of a program executive officer.

Senior Level Review Group (SLRG): The SLRG replaced the Defense Resources Board. It oversees the PPBE process and assists the Secretary of Defense and Deputy SECDEF make decisions.

Senior Information Resources Management (IRM) Official: The senior Air Force official responsible for the IRM Program. The Assistant Secretary of the Air Force (Acquisition) is the Senior Air Force IRM official.

Skulls: Time spent preparing senior DAF leaders such as the CSAF, CSO or SECAF to defend the DAF program or budget before OSD or Congress.

SM: Single Manager: General term used to describe System Program Directors (SPDs), Product Group Managers (PGMs), Materiel Group Managers (MGMs), and Technology Directors who are the individuals responsible for a system, product group, or materiel group or major research area and report directly to a Program Executive Officer (PEO) or Designated Acquisition Commander (DAC).

Small Group: One of a number of SECDEF advisory groups that may provide recommendations to SECDEF in development of the OSD POM. Services are usually not invited to participate in the Small Group.

Snake Chart: The Snake Chart is a timeline published by AF/A8PE and kept current as the exercise progresses. The Snake Chart will depict each step of the process with specific dates. For example, it will show the dates the Group will meet to consider Panel and MAJCOM inputs to the POM. Because it is kept current, it may be updated two to three dozen times over the course of the exercise. It is critical that participants have a source for the current version of the Snake Chart.

SPD: System Program Director; see PM.

SPE: Senior Procurement Executive: The senior official responsible for management direction of the Air Force procurement system, including implementation of unique procurement policies, regulations, and standards. The Assistant Secretary of the Air Force (Acquisition) is the SPE. See also Air Force Acquisition Executive (AFAE).

STA: System Threat Assessment: The basic authoritative threat assessment tailored for and focused on ACAT II and III program. The STA describes the threat to counter and the projected threat environment. The STA may be a stand-alone document or the threat assessment contained in the Operational Requirements Document. The threat information is based on Defense Intelligence Agency validated documents.

STAR: System Threat Assessment Report: A DIA intelligence document serving as the single authoritative reference for threat data regarding weapon system acquisition program. The STAR contains the lethal and non-lethal threats against the proposed U.S. system and the threat environment in which the system will operate.

Strategic Master Plan (SMP): The primary DAF strategic guidance document that is reviewed every other year. It is an unclassified document with 4 Annexes (Human Capital, Strategic Posture, Capabilities, and Science and Technology). This guidance is updated annually by the SPG.

Strategic Planning Guidance (SPG): DAF document to instruct Input Sources and the Air and Space Staffs in the development of their POM submissions. Incorporates known elements of the Defense Planning Guidance (DPG). Signed by the Vice Chief of Staff and the Undersecretary. It is the primary strategic planning document in the DAF and links Strategic Planning to Programming. It should be released prior to the start of the internal Air and Space Force POM efforts in the January/February timeframe.

Supplemental Appropriation: An act appropriating funds in addition to those in an annual appropriation act. Supplemental appropriations provide additional budget authority beyond original estimates for programs or activities (including new programs authorized after the date of the original appropriation act) for which the need for funds is too urgent to be postponed until enactment of the next regular appropriation act.

Supporting command: The command responsible for providing logistics support for a system, and assuming program management responsibility from the implementing command.

Survivability: The capability of a system to avoid or withstand man-made hostile environments without suffering an abortive impairment of its ability to accomplish its designated mission. Survivability may be achieved by avoidance, hardness, proliferation, or reconstitution (or a combination). Its Components are susceptibility and vulnerability.

SVR: System Verification Review: Conducted to ensure that performance requirements of the system specification have been met. Demonstrates that the system satisfies the requirements in the functional and allocated baselines, confirms the completion of all incremental accomplishments for system verification (e.g. Functional Configuration Audits (FCAs) for Configuration Items (CIs)), and confirms readiness for production. Normally conducted during the Low Rate Initial Production (LRIP) effort of the Production and Deployment (P&D) phase.

System Acquisition Process: A sequence of specified decision events and phases directed to achieve program objectives and acquire systems. It extends from validating a requirement through deploying the system, or terminating the program.

System Capabilities: Measures of performance (such as range, lethality, maneuverability, etc.) for a system to accomplish approved military objectives, missions, or tasks.

Technical Data: Scientific or technical information recorded in any form or medium (such as manuals and drawings). Computer programs and related software are not technical data; documentation of computer programs and related software are. Also excluded are financial data or other information related to contract administration.

TEMP: Test and Evaluation Master Plan: Documents the overall structure and objectives of the Test and Evaluation (T&E) program. It provides a framework within which to generate detailed T&E plans and it documents schedule and resource implications associated with the T&E program. The TEMP identifies the necessary Developmental Test and Evaluation (DT&E), Operational Test and Evaluation (OT&E), and Live Fire Test and Evaluation (LFT&E) activities. It relates program schedule, test management strategy and structure, and required resources to: Critical Operational Issues (COIs), Critical Technical Parameters (CTPs), objectives and thresholds documented in the Capability Development Document (CDD), evaluation criteria, and milestone decision points. For

multiservice or joint programs, a single integrated TEMP is required. Component-unique content requirements, particularly evaluation criteria associated with COIs, can be addressed in a Component-prepared annex to the basic TEMP.

Then-Year Dollars: A constant or base-year dollar inflated or deflated to show the amount needed when expenditures are actually made. In other words, the amount spent in any given year expressed in that year's dollars.

Three-Star Programmers Group (3-Star Group): *legacy term: replaced by the Program Resource Managers Group (PRMG).* The 3-Star Group addressed major issues and presents decision options to the SLRG and SECDEF for resolution.

Threshold [Requirement]: A minimum acceptable operational value below which the utility of the system becomes questionable. (CJCSI 3170.01C) If the threshold values are not otherwise specified, the threshold value for performance will be the same as the objective value, the threshold value for schedule will be the objective value plus six months for Acquisition Category (ACAT) I programs and three months for ACAT IA programs, and the threshold value for cost will be the objective value plus 10 percent.

TIWG/TPWG: Test Integration Working Group/Test Planning Working Group: A cross functional group that facilitates the integration of test requirements through close coordination between material developer, combat developer, logistician, and developmental and operational testers in order to minimize development time and cost and preclude duplication between Developmental Testing (DT) and Operational Testing (OT). This team produces the Test and Evaluation Master Plan (TEMP) for the Program Manager (PM).

TOA: Total Obligational Authority (TOA) [Availability]: The sum of (1) all budget authority granted (or requested) from the Congress in a given year, (2) amounts authorized 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 when discussing the Department of Defense budget, and most often refers to TOA as "program" equating to only (1) and (2) above. **BLUE TOA:** DAF Topline after funds accounted for in the DAF Budget for the DAF portion of the Defense Health Program (DHP), Special Operations Forces funding (SOF), and National Foreign Intelligence Program (NFIP) are excluded

Topline: Department total funding level in each year of the FYDP authorized by Office of Management and Budget (OMB), e.g., Service TOA.

Tradespace: Selection among alternatives with the intent of obtaining the optimal, achievable system configuration. Often a decision is made to opt for less of one parameter in order to achieve a more favorable overall system result.

Two-Liner: Succinct explanation of a program or program adjustment within an options slide used to brief a Corporate Structure.

ULB: Unified Legislation for Budgeting: Process of getting agreement between the Services regarding to which personnel initiatives for entitlements will be included in the budget for funding along with a request for authorization. All Services must agree to fund in the BES, and the requested legislation is sent to Congress as part of the PB. If Congress does not authorize the entitlement, the dollars are lost.

Unexecutable: Programs unable to meet projected milestones, or deliver contracted capability due to cost, schedule, or performance (technical) problems. If the program is a weapon system, it will also be a disconnect. If the program is a level of effort, then it means the planned, programmed, and budgeted effort for a given year cannot be achieved with the funding available--could be due to cost increases or materialization of the risks taken in the PPBE.

Un-fundeds: (also Disconnects – legacy term) - An approved program unexecutable because of a shortfall of resources to fulfill the program's objectives or mission. Specific DAF or Office of the Secretary of Defense program budget decisions (PBDs) changing the program content or pace in the Planning, Programming, Budgeting, and Execution System cycle are not candidates for disconnects in the following year's cycle.

UPL: Un-funded Priority List: List of the highest priority un-funded items maintained at every level of the Air or Space Force—squadron to wing/base, base to Major Command, Major Command to HQ Air Force, DAF to OSD in the POM and in the last administration OSD to Congress with submission of the budget. Target for the next available dollar.

Upward Adjustment: An increase to an obligation due to a change in the cost of goods or services purchased. Normally used in the context of expired appropriation accounts, but it can occur at any time. The important thing is that is not for new work.

Using Command: Also known as the operating command, operator, or user: typically, the ultimate operator of a system. There are some exceptions. For example, Headquarters, Air Combat Command can be the using command for a reconnaissance satellite for which Air Force Space Command is the operating command.

Validation: 1. A process normally associated with the collection of intelligence providing official status to an identified requirement and confirming the requirement is appropriate for a given collector and was not previously satisfied. 2. In computer modeling and simulation, the process of determining the degree a model or simulation is an accurate representation of the real world from the perspective of the intended uses of the model or simulation.

Validation Authority: Someone or agency, other than the user, who gives official confirmation the system will produce the desired result.

Vector Checks: Meetings held between the AF/A8, SF/S8 and SECAF, CSAF and CSO during Corporate Structure POM deliberations where the SECAF/CSAF/CSO provides guidance regarding the priorities and direction of the Corporate Structure decisions made to date. Typically occurs at least three times in any programming session.

Vet/Vetted: To subject to thorough examination or evaluation (American Heritage College Dictionary.) To brief or discuss programming issues through the Corporate Structure to establish a program's priority for funding.

VV&A: Verification, Validation, and Accreditation: The means by which a decision maker's confidence is established and maintained regarding digital modeling and simulation results by investigation, documentation, and accreditation of databases, software, hardware, and analysts. a. Verification is the process of determining a model implementation accurately represents the developer's conceptual description and specifications. b. Validation is the process of determining (a) the manner and degree to which a model is an accurate representation of the real-world from the perspective of the intended uses of the model, and (b) the confidence placed on this assessment. c. Accreditation is the official certification a model or simulation is acceptable for use for a specific purpose.

Weapon(s) System: A combination of one or more weapons with all related equipment, materials, services personnel and means of delivery, and deployment (if applicable) required for self-sufficiency. Items used directly by the armed forces to carry out combat missions.

Wedge: Funding laid into the POM or Budget in anticipation of defined program content; an easy target during any budget scrub. Wiser Resource Managers can confirm you "cannot sell a wedge in the Pentagon." See its opposite: negative wedge.

Workarounds: Options to recover from a cost, schedule, or technical problem to prevent or mitigate the risk to the program without adding or reducing the program funding. Normally done to avoid being a bill payer in the near term or to fix a disconnect.

ZBR: Zero Based Reprogramming: A programming action in which a portfolio owner – Input put Source and/or HQ USAF Panel - can address one of their own Disconnects and/or Initiatives with a specific Offset form their own portfolio. Specific rules may vary from year to year.

ZBT: Zero Balance Transfer: An exact reallocation of resources, normally within a single program element. A ZBT is a non-programmatic action accomplished to "clean up" a data base error or realign resources to allow for better management. This is accomplished during the programming phase under the guidance of the Associate Deputy Director of Plans and Programs.

Appendix C: Program Element Number Mapping

The US Department of Defense uses 8-character program element numbers in the budget process to identify each program (sometimes also referred to as PENs – Program Element Numbers – or PECs – Program Element Codes.)

The following listing explains the meaning of the codes within a Program Element.

First Two Characters: DoD Major Force Program

01	Strategic Forces
02	General Purpose Forces
03	Command, Control Communications and Intelligence
04	Mobility Forces
05	Guard and Reserve Forces
06	Research and Development
07	Central Supply and Maintenance
08	Training, Medical and Other Personnel Activities
09	Administration and Associated Activities
10	Support of Other Nations
11	Special Operations
12	National Security Space

Third Character: Category (MFPs 1-4 and 6 only)

1	Strategic Forces	1 Offensive 2 Defensive
2	General Purpose Forces	1 Unified Commands 2 Army Forces 3 Army Operational Systems Development 4 Navy Forces 5 Navy Operational Systems Development 6 Fleet Marine Forces And Systems Development 7 Air Force Forces And Systems 8 Other
3	Intelligence and Communications	1 General Intelligence And Cryptological Activities 2 National Military Command System 3 Communications 4 Special Activities 5 Other Activities
4	Airlift/Sealift	1 Airlift 2 Sealift 3 Traffic Management And Water Terminals 4 Special Operations And Combat Rescue Forces
5	Guard and Reserve	
6	Research and Development	1 Research 2 Exploratory Development 3 Advanced Development 4 Engineering Development 5 Management And Support 6 Operational Systems Development
7	General Supply and Maintenance	
8	Training, Medical and Other	
9	Administration and Associated Activities	
10	Support of Other Nations	
11	Special Operations	
12	Space	

Fourth Character: R&D Budget Activity (MFP 6)

1	Military Sciences
2	Aircraft and Related
3	Missile and Related
4	Astronautics and Related
5	Ships and Related
6	Ordnance, Combat Vehicles and Related
7	Other
8	Program-Wide Support

Fifth Character: Sponsor's Element Identifier

Sixth Character: DoD Component

A	Army
C	OSD
E	Defense Advanced Research Projects Agency (DARPA)
F	Air Force
G	National Security Agency
H	Defense Nuclear Agency
I	Defense Reconnaissance Support Activities
J	Joint Chiefs of Staff
K	Defense Information Systems Agency
L	Defense Intelligence Agency
M	Marine Corps
N	Navy
R	Defense Contract Audit Agency
S	Space Force
U	Undistributed Resources
V	Defense Investigative Service
BB	Special Operations Command