

Planning and Budgeting for Defense

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Outline of Talk

- Overview of the players
- The process in DoD
- The players in the White House
- The process in Congress

Planning and Budgeting for DOD

- Three Players
 - Department of Defense
 - White House
 - Congress
- The process takes more than two years
- DoD works on three budgets at a time
 - FY 2011 budget: in execution today, under the Continuing Resolution passed last week
 - FY 2012 budget: to be submitted to Congress in February 2011; Office of Secretary of Defense is currently running the integrated program and budget review
 - FY 2013 budget: services are starting to work on their program objective memoranda (POMs) now; Office of Secretary of Defense is gearing up for the planning phase.

DoD's Internal Process

- Planning, Programming, Budgeting, and Execution (PPBE)
- Creates President's Budget (one-year) and Future Years Defense Program (FYDP, five years)
- Takes guidance from Quadrennial Defense Review (QDR), due to Congress in February of second year of presidential term

Purposes of PPBE

- Executive management
 - Civilian control of military
- Resource allocation
 - Determine centrally where the money goes
- Rational process for exploring priorities and tradeoffs
 - Make decisions based on explicit criteria of national strategy, not compromises among institutional forces
 - Consider requirements & costs simultaneously
 - Consider multi-year plan, to project consequences of present decisions into the future

DOD's PPBE for FY 2012

Planning Phase

Nov 2009 to Apr 2010	Defense Planning and Programming Guidance (DPPG): priorities, broad guidance for capabilities, detailed guidance on programs (consistent with National Security Strategy, QDR)	Strategic Planning Council (SPC), Secretary of Defense
Apr 2010	Fiscal guidance to services	OSD CAPE, with Comptroller

Force Planning Construct (2010 QDR)

- Prevail
 - Current first priority: Prevail in Iraq and Afghanistan
- Prevent and deter
 - Current: Defend U.S., prevent emergence or reemergence of transnational terrorist threats, deter other potential major adversaries
 - After Iraq and Afghanistan: greater force availability to deter other would-be aggressors through forward presence and sustained operations to build partnership capacity
- Prepare
 - Current: Prepare for emergencies, deter potential challengers in times of crisis and defeat their threats
 - Midterm to long terms: Prepare to prevail in broad range of operations in multiple theaters in overlapping timeframes
- Preserve and enhance
 - Manage risks of significant new military missions, to preserve health of the all-volunteer force
 - As we leave Iraq and Afghanistan: Transition to sustainable rotation rates; expect higher deployment rates if US engages for long periods in more than one large operation

DOD's PPBE for FY 2012

Programming and Budgeting

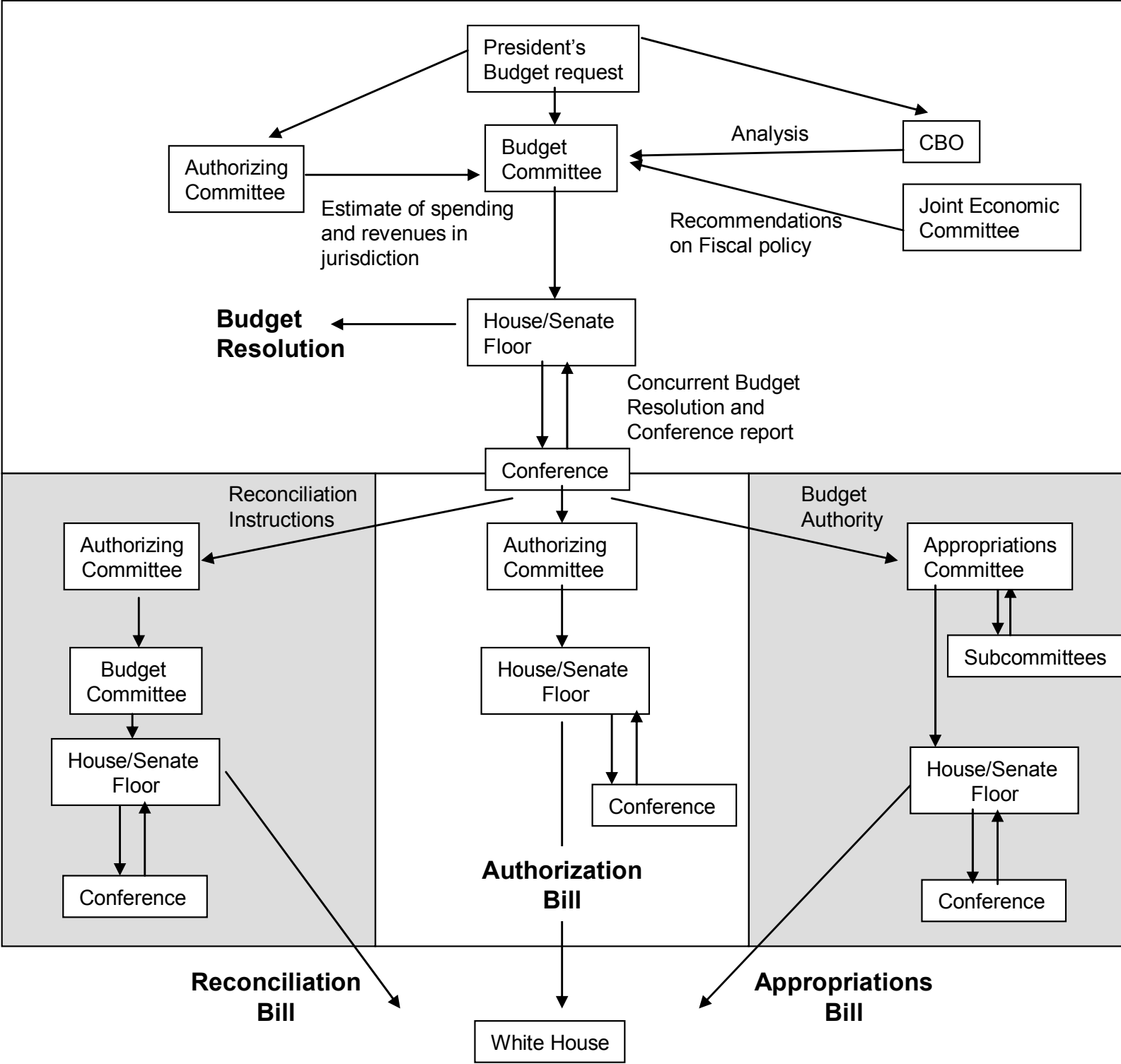
Apr to July 2010	Program Objective Memoranda (POMs), Budget Estimate Submissions (BESs)	Services, Agencies
Aug to Oct 2010	Integrated Program Review (policy) and Budget Review (pricing, executability)	OSD CAPE, JCS; OMB
Nov 2010	Final Program Decision Memoranda (PDMs) and Program Budget Decisions (PBDs) to Services	Signed by Deputy Secretary
Jan 2010	President's Budget and Future Years Defense Program (FYDP) to OMB	OSD
Feb 2011	President's Budget and Future Years Defense Program (FYDP) to Congress	OMB

Planning and Budgeting in the White House

- NSC Staff: Writes National Security Strategy
- Office of Management and Budget (OMB)
 - Develops Fiscal Guidance for federal departments (two years ahead of budget year)
 - Participates directly in the budget review of DoD's PPBE
- President: Signs authorization and appropriations bills into law

Planning and Budgeting in Congress

- Four main processes
 - Concurrent resolution on the budget (guides Congress; not a law)
 - Reconciliation (only for revenues and entitlements)
 - Authorization (establishes organizations and policy)
 - Appropriation (provides funds)



FY 2011 Defense Budget in Congress

Feb 2010	President's Budget	Submitted by President
April 2010	Concurrent Budget Resolution	Budget Committees; floor votes; conference committees; floor votes
Spring to fall 2010	Defense Authorization: Hearings, Markup, Votes	Armed Services Committees; floor votes; conference committees; floor votes; to President for signing
Spring to fall 2010	Defense, Military Construction, VA & Quality of Life Appropriations: Hearings, Markup, Votes	Appropriations Subcommittees; floor votes; conference committees; floor votes; to President for signing
Oct 1, 2010	Begin 2011 fiscal year	
FY 2011	Emergency supplemental appropriations	Appropriations Subcommittees; floor votes; conference committees; floor votes; to President for signing

Milestone Votes on the Defense Budget

(Major stages of congressional action at which votes occur; source CRS)

Action	House		Senate	
	Committee	Floor	Committee	Floor
Budget Resolution				
Budget Committee	X		X	
Floor Action		X		X
Conference Report Approval		X		X
Authorization Legislation				
Armed Services/National Security Committees				
Subcommittee Markup	X		X	
Full Committee Markup	X		X	
Floor Action		X		X
Conference Report Approval		X		X
Appropriations Legislation				
Appropriations Committee				
Defense Subcommittee Markup	X		X	
Full Committee Markup	X		X	
Floor Action		X		X
Conference Report Approval		X		X
Total Votes	5	6	5	6

This month in budget world

- DOD components (services & defense agencies)
 - Executing FY 2011 budget while defending it on the Hill
 - Fighting for their programs in the program and budget reviews for FY 2012
 - Starting to pull together their POMs for FY 2013
- Office of Secretary of Defense
 - Executing FY 2011 budget, based on the Continuing Resolution
 - Defending their positions on the FY 2011 budget and in Congress
 - Running the program and budget reviews of service FY 2012-16 plans

This month in budget world (concluded)

- White House
 - Completed national security strategy in June
 - Defending FY 2011 budget in Congress
 - Apportioning FY 2011 funds to departments, including DOD—based on the Continuing Resolution
- Congress
 - On District Leave, to campaign for election until November

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