



Reforming the Planning, Programming, Budgeting, and Execution (PPBE) Process for Strategic Competition

Ms. Lara Sayer, Ms. Liz Bieri, Ms. Annie Crum

A dark silhouette of the St. Louis skyline is positioned on the left side of the slide, featuring the prominent Gateway Arch and various city buildings.

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**Who is in the
audience today?**



- a) Auditors
- b) Budgeteers
- c) DFAS / Finance
- d) Programmers
- e) Other



What part of the
PPBE process do
you most work
within?



- a) Planning
- b) Programming
- c) Budgeting
- d) Execution



The Commission on Planning, Programming, Budgeting, and Execution (PPBE) Reform: Who We Are

- Established by Congress in Section 1004 of the National Defense Authorization Act (NDAA) for FY22 (Public Law 117-81) as an independent, legislative commission.
- Comprised of 13 Commissioners, an Executive Director, and staff
- Tasked with broadly examining the effectiveness of the PPBE system and adjacent practices, particularly with respect to defense modernization
- Empowered to make policy and legislative recommendations to improve these processes or consider potential alternatives



Our Commissioners



Bob Hale, Chair



Ellen Lord, Vice Chair



Jonathan Burks



Susan Davis



Lisa Disbrow



Eric Fanning



Peter Levine



Jamie Morin



David Norquist



Diem Salmon



Jennifer Santos



Arun Seraphin



Raj Shah

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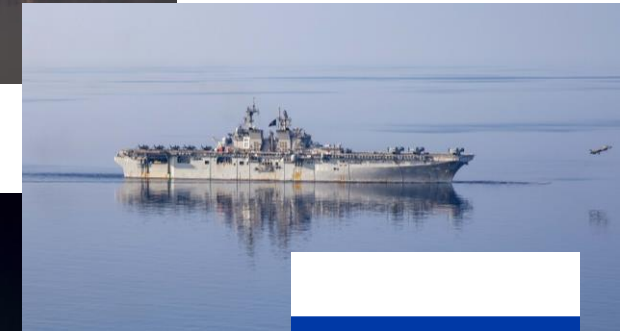
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PPBE Reform for Strategic Competition

- PPBE reform is critical to ensuring the Department of Defense (DoD) is well postured for future conflict with strategic competitors
- The DoD must be able to adopt new technologies more effectively and integrate those technologies into the field to respond to current and future threats
- The Commission is seeking multiple avenues toward reform. All options are being considered to enhance our nation's defense



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**What are the
biggest challenges
you see with
today's PPBE
process?**



- a) Too Slow/Late to Need
- b) Limited Automation
- c) Stovepiped Processes
- d) Budget Uncertainty



Why Do We Need PPBE Reform?

- The world doesn't look the same now as it did 60 years ago. Why should the PPBE process?
- DoD needs a resourcing system that can:
 - Look to the future and clearly link budgets to strategy
 - Support responsiveness/agility in the year of execution
 - Move at the speed of war and technological change
 - Allow the Joint Force to budget effectively together
 - Justify budgetary needs and execute funds to meet them

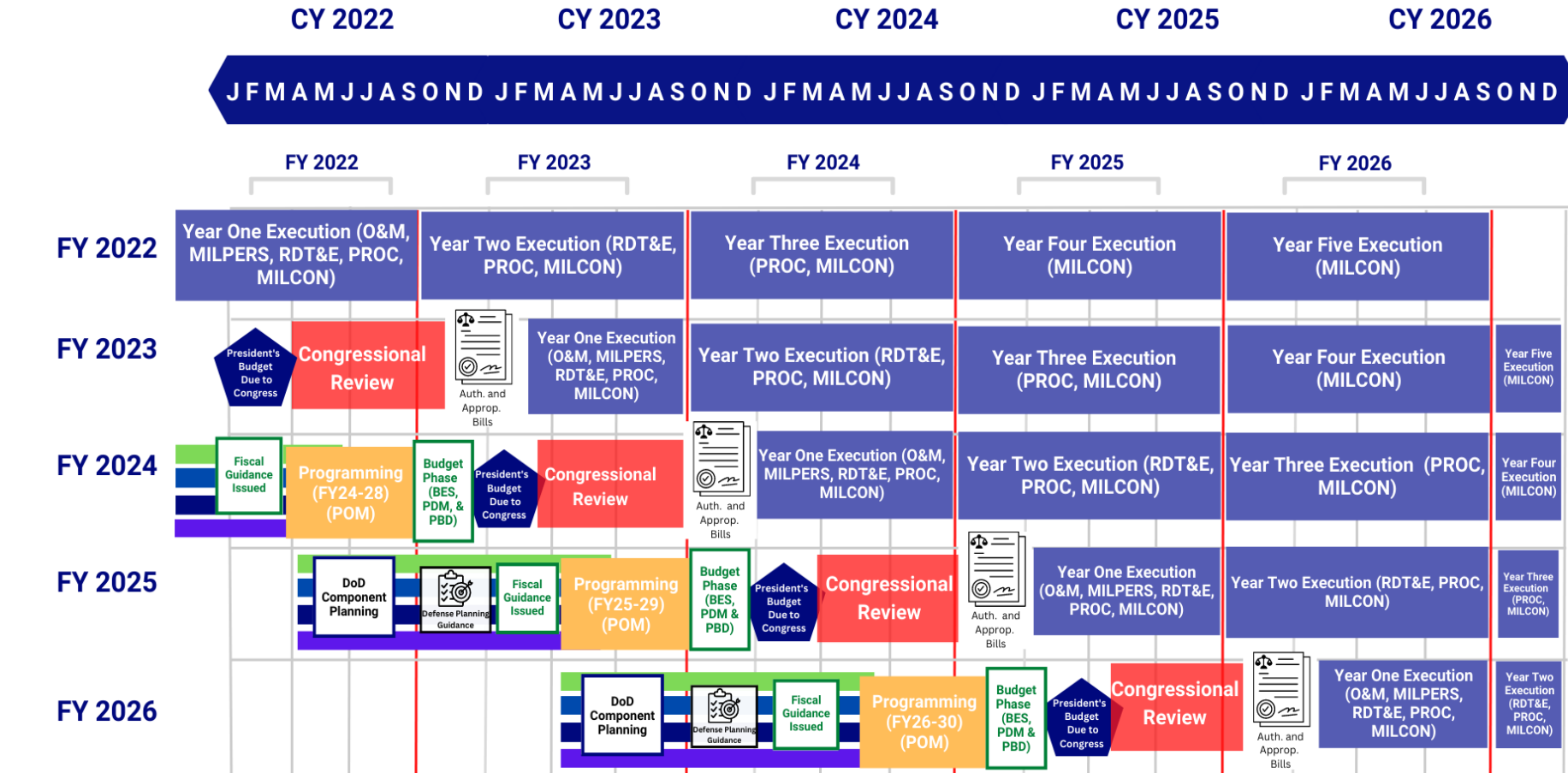
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PPBE Process Overview



Key to Abbreviations: BES - Budget Estimate Submission; PDM - Program Decision Memorandum; PBD - Program Budget Decision; O&M - Operation and Maintenance; MILPERS - Military Personnel; RDT&E - Research, Development, Test and Evaluation; PROC - Procurement; MILCON - Military Construction; Auth. - Authorization; Approp. - Appropriation

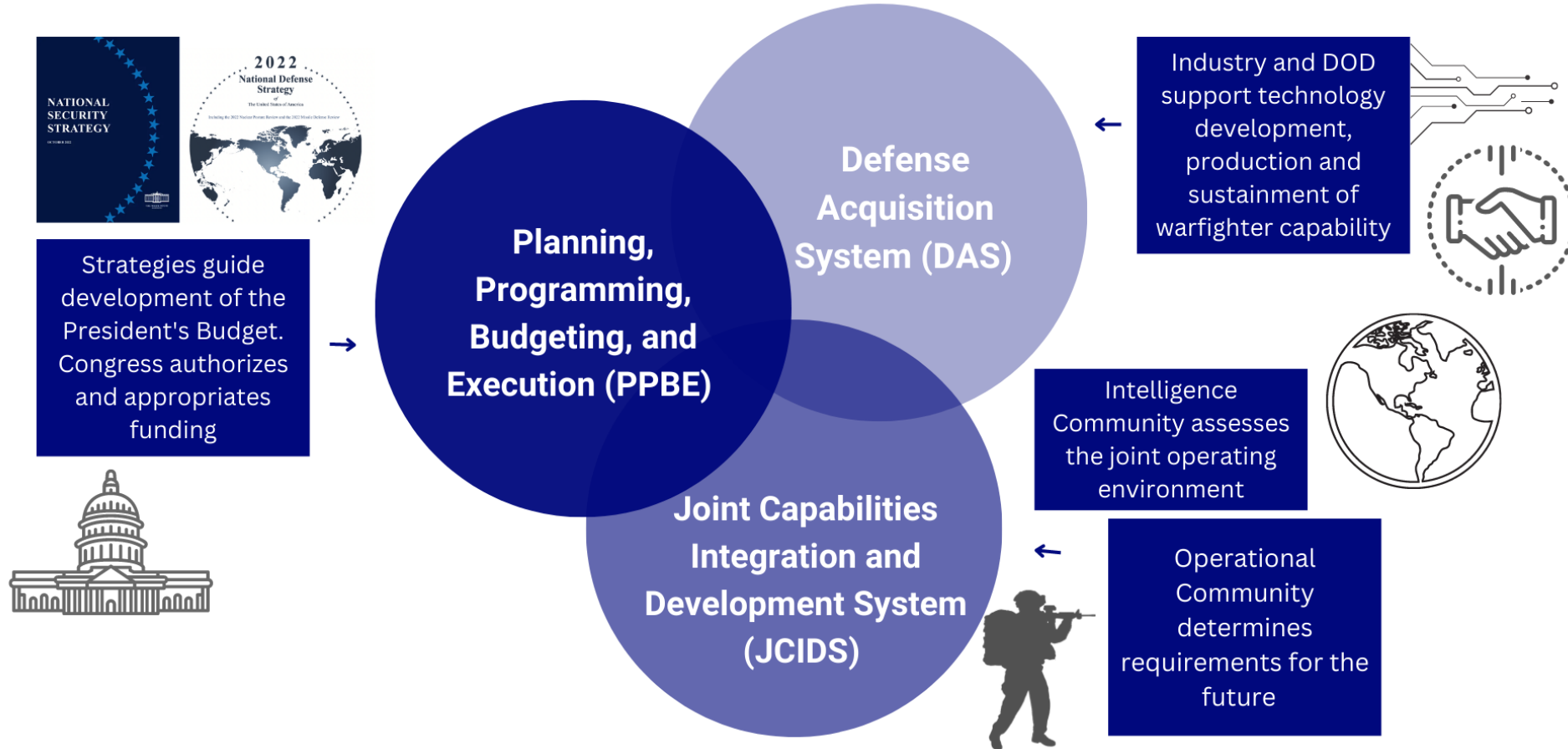
****Timeline represents typical year, not ideal process**

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Intersection of DoD Processes



Approved funding and a validated requirement are necessary to acquire capability



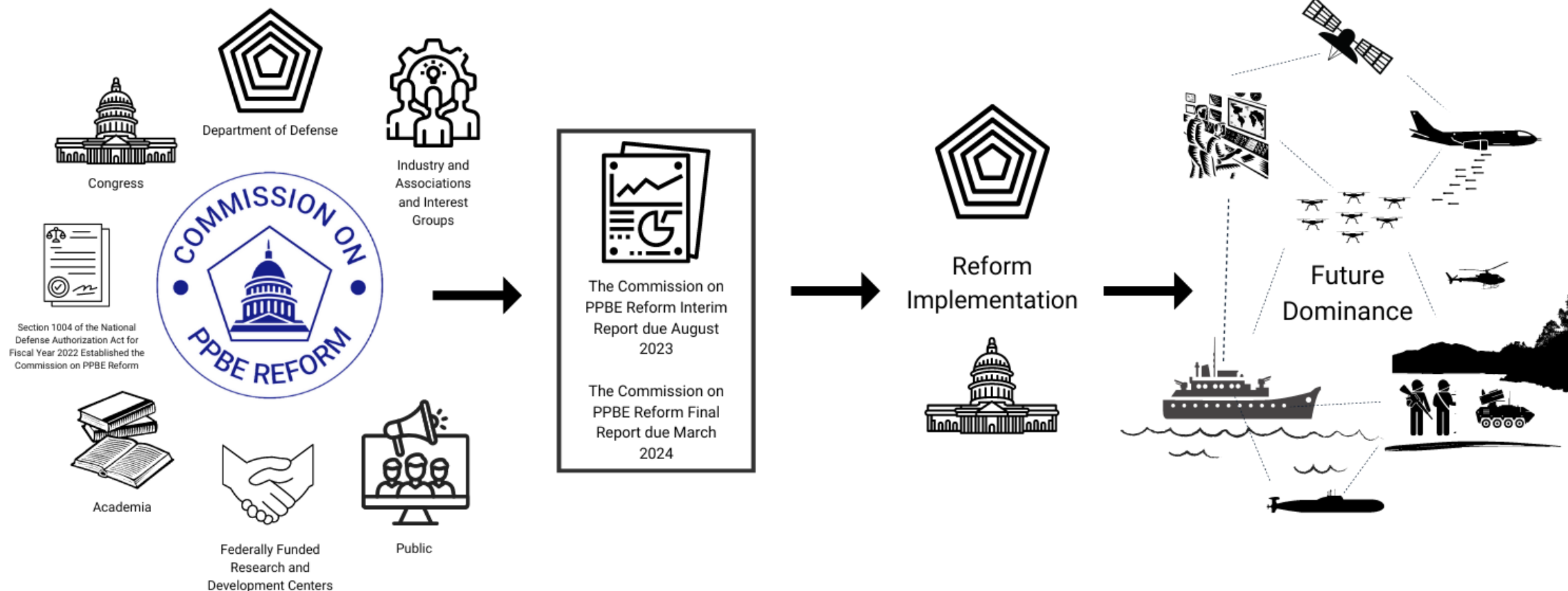
**In which phase of
the PPBE process do
you see the biggest
need for reform?**



- a) Planning
- b) Programming
- c) Budgeting
- d) Execution



The PPBE Reform Ecosystem





PPBE Reform Commission Community Engagement

Broader Federal Government

- House Appropriations Committee - Full Committee and Defense Subcommittee
- Senate Appropriations Committee - Full Committee and Defense Subcommittee
- House Armed Services Committee
- Senate Armed Services Committee
- Various Members of Congress and their staff
- Government Accountability Office
- Office of Management and Budget

Former Government Officials

- former Deputy Secretary of Defense
- former DoD Comptroller
- former Director, CAPE
- former Assistant Secretary of the Navy for Research, Development & Acquisition
- former Assistant Secretary of the Air Force for Acquisition, Technology and Logistics
- former Director, Air Force Rapid Capabilities Office
- former Commander, Air Force Materiel Command
- former Director, Defense Innovation Unit
- former Service Acquisition Executives and program managers
- former HASC, SASC, HAC-D, and SAC-D professional staff members
- former PPBE practitioners

Associations

- American Society of Military Comptrollers
- Association for Uncrewed Vehicle Systems International
- Association of Government Accountants
- Silicon Valley Defense Group
- National Defense Industrial Association
- Federation of American Scientists/ Day One Project

The Public

- Open Mic Session on Program Management
- Open Mic Session on Budgeting
- Open Mic Session on Valley of Death
- Open Mic Session on Programming
- Open Mic Session on Requirements
- Open Mic Session on Reprogrammings
- Social Media/Email Input

Comparative Case Studies

- Countries: Russia, China, Australia, United Kingdom, Canada, France, Germany, Sweden, Japan, Singapore
- US Federal Agencies: Department of Homeland Security (DHS), Office of the Director of National Intelligence (ODNI), NASA, Health and Human Services (HHS), Department of Veteran Affairs, Department Of Energy's National Nuclear Security Administration

Industry

Science Applications International Corporation, Inc., AECOM, AAR Corporation, Exiger, Revere Federal Strategies, Govini, DecisionLens, Productable, Defense & Aerospace Competitive Intelligence Service, Definitive Logic, Catalyst Campus, Applied Intuition, Hermeus, Booz Allen Hamilton, Darkside Federal, UNISON, CSIS, Boeing, Palo Alto, PespiCo, Walmart, Parsons Corp, Lockheed Martin, Northrup Grumman, Huntington Ingalls Industries, Voyager Space, Deloitte, Battelle, Ford Motor Company, Hawkeye 360, Resilience, Mercury Systems, Anduril, Palantir, Rebellion, Arete Associates, Continuum Dynamics, Corvid Technologies LLC, Critical Link LLC, Echelon Bio Sciences, EnergyNTEch, First RF, FTL Labs, Indiana Microelectronics, IRFLEX Corp, Judd Systems Technologies, LOADPATH, SI2 Technologies, Spectral Sciences, Tier 1 Performance, Teqnovation LLC, Cypress International, VOXTEL, L3Harris Technologies, CORAS, OneStream, Integrated Data Services, Raytheon, General Dynamics....and more!

Department of Defense

- Deputy Secretary of Defense
- Secretary of the Air Force
- Under Secretary of Defense (R&E)
- Under Secretary of Defense (A&S)
- Under Secretary of Defense Policy
- Under Secretary of Defense Comptroller
- Director, CAPE
- Joint Staff
- Combatant Commands
- Military Department Comptrollers
- Service Programmers
- Service Planners
- Service Acquisition Executives
- NavalX, AFWERX, Office of Naval Research, PEO Digital, Office of Strategic Capital
- Innovation Steering Group
- PEOs and Program Managers
- Acquisition Innovation Research Center (UARC)

Academia

- George Mason University
- Naval Postgraduate School
- Duke University
- The College of William and Mary
- University of Virginia
- Defense Acquisition University
- Stevens University

Federally Funded Research and Development Centers (FFRDCs)

- RAND
- MITRE
- Institute for Defense Analyses
- Carnegie Mellon University Software Engineering Institute
- More to follow

Updated as of 5.3.23





What We've Heard About PPBE

Enables the planned delivery of resources

Locks in funding years in advance

Unable to respond to emergent requirements

Negatively impacts current and future readiness

Prematurely pushes systems into production

DoD has learned to live with continuing resolutions

Continuing resolutions drive inefficiencies

Advanced planning is necessary for the complex DoD

DoD focuses too much on hardware and large acquisition programs

PPBE timelines limit non-traditional companies

Most reprogramming requests are approved

Reprogramming thresholds are too low

Justification materials are necessary for Congress

Justification materials are often outdated

DoD has many flexibilities to adopt new capability

Innovation competes with must pay bills

Innovation funds are underutilized

Good managers know how to work the PPBE system

Managers are worried about executing to baselines

Enables program stovepipes

DoD FM systems support decision making

DoD lacks modern financial tools

Lack of adequate metrics

Brings analysis to bear

Enables Senior Leader Control

Balances competing interests

Does not serve long-term interests

Best for large scale systems

Not good for new technologies

DoD has adequate transfer authority

Limited opportunities to get funding

Ensures Relevant Voices are Heard

Locks out new ideas

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**Which piece of
feedback resonates
with you the most?**



- a) Reprogramming Process Not Optimal
- b) Antiquated/Stovepiped FM Systems
- c) Budget Justification Materials Not Informative/Snapshot In Time
- d) Current Budget Structure Inhibits Responsiveness to Emerging Requirements



Commission Research Program



Workforce

Sufficiency of the current DoD programming and budgeting workforce



Reprogramming

Monetary thresholds and use of below-versus above-threshold reprogrammings by the DoD



Budget Structure

Current structure and effectiveness supporting warfighting requirements



Agile Budget Mechanisms

BA-08 Software Pilot Program and other mechanisms



Comparative Studies

Transferrable best practices from private industry, other federal agencies or countries



PPBE Assessment

Net Assessment of the Effectiveness of all four phases of the PPBE system



Performance Measures

Metrics currently being used and determining how they are informing budgets



FM Systems

Improvement of Financial Management Systems and their relationship to auditability



Innovation Funds

Root cause for existence of funds and ability to deliver capability



Congress

Institutionalization of information necessary for congressional oversight



Case Studies

Experiences of how PPBE supports or hinders program execution (e.g., "Valley of Death")



FMR/Reports/Studies

Review the Financial Management Regulation (FMR), reports, studies



- Continue research agenda
- Engagement and outreach
- Case studies
- Socialize and pressure test problem statements and recommendations
- **Deliver Interim Report (August 2023)**
- **Deliver Final Report (March 2024)**

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Where We're Headed



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Question and Answer Session



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Contact Us



ppbe_reform@ppbe.senate.gov



PPBE Reform Commission



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