



Department of Defense **DIRECTIVE**

NUMBER 7045.14
January 25, 2013

USD(C)

SUBJECT: The Planning, Programming, Budgeting, and Execution (PPBE) Process

References: See Enclosure 1

1. PURPOSE. This Directive:

- a. Reissues DoD Directive (DoDD) 7045.14 (Reference (a)) to update established policy and assigned responsibilities for the PPBE process.
- b. Provides PPBE process descriptions and data release restrictions.
- c. Incorporates and cancels Deputy Secretary of Defense Memorandum (Reference (b)).
- d. Supersedes and cancels DoD Instruction 7045.7 and DoD 7045.7-H (References (c) and (d)).

2. APPLICABILITY. This Directive applies to OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff (CJCS), the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the DoD (hereinafter referred to collectively as the "DoD Components").

3. DEFINITIONS. See Glossary.

4. POLICY. It is DoD policy that:

- a. The PPBE shall serve as the annual resource allocation process for DoD within a quadrennial planning cycle. The Quadrennial Defense Review (QDR), force development guidance, program guidance, and budget guidance are the principal guides used in this process. Programs and budgets shall be formulated annually. The budget shall cover 1 year, and the program shall encompass an additional 4 years.

b. The Secretary of Defense:

(1) Assisted by senior review groups, provides centralized policy throughout the PPBE process.

(2) Exercises centralized control of executive policy direction by making major policy decisions, defining planning goals, issuing programming guidance, and allocating resources.

(3) Provides the Combatant Commanders, through periodic councils, additional opportunities for input and comment in all phases of the PPBE process.

c. The Deputy Secretary of Defense manages the day-to-day management and operation of the PPBE process. The Deputy Secretary of Defense, supported by his designated management process, provides overall PPBE leadership and oversight, and assists the Secretary of Defense in overall PPBE leadership roles.

d. The PPBE process:

(1) Supports the objective to provide the DoD with the most effective mix of forces, equipment, manpower, and support attainable within fiscal constraints.

(2) Facilitates the alignment of resources to prioritized capabilities based on an overarching strategy and requires balancing necessary warfighting capabilities with risk, affordability, and effectiveness.

(3) Provides mechanisms for making and implementing fiscally sound decisions in support of the national security strategy and national defense strategy.

(4) Facilitates execution reviews of past decisions and actions. The reviews shall assess actual execution performance based on goals and strategic objectives. Recommendations from these reviews shall be linked to decisions on future resource allocations.

(5) Accepts, as inputs, products of the acquisition and requirements processes outlined in DoDD 5000.01 (Reference (e)), DoDD 8000.01 (Reference (f)), and CJCS Instruction 3170.01 (Reference (g)).

i. Due to the sensitive nature of pre-decisional PPBE information, data release restrictions shall be applied in accordance with this Directive.

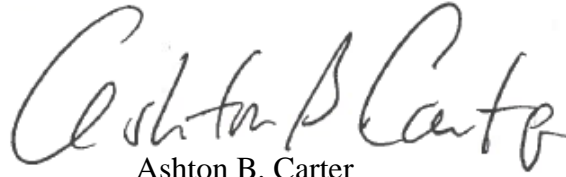
5. RESPONSIBILITIES. See Enclosure 2.

6. RELEASABILITY. UNLIMITED. This Directive is approved for public release and is available on the Internet from the DoD Issuances Website at <http://www.dtic.mil/whs/directives>.

7. EFFECTIVE DATE. This Directive:

a. Is effective January 25, 2013.

b. Must be reissued, cancelled, or certified current within 5 years of its publication in accordance with DoD Instruction 5025.01 (Reference (h)). If not, it will expire effective January 25, 2023 and be removed from the DoD Issuances Website.



Ashton B. Carter
Deputy Secretary of Defense

Enclosures

1. References
2. Responsibilities
3. Release of PPBE Documents
4. Additional PPBE Process Descriptions

Glossary

ENCLOSURE 1

REFERENCES

- (a) DoD Directive 7045.14, "The Planning, Programming, and Budgeting System (PPBS)," May 22, 1984 (hereby cancelled)
- (b) Deputy Secretary of Defense Memorandum, "Control of Planning, Programming, Budgeting and Execution (PPBE) Documents and Information" March 27, 2004 (hereby cancelled)
- (c) DoD Instruction 7045.7, "Implementation of the Planning, Programming, and Budgeting System (PPBS)," May 23, 1984 (hereby cancelled)
- (d) DoD 7045.7-H, "Future Years Defense Program (FYDP) Structure," April 2004 (hereby cancelled)
- (e) DoD Directive 5000.01, "The Defense Acquisition System," May 12, 2003
- (f) DoD Directive 8000.01, "Management of DoD Information Resources and Technology," February 10, 2009
- (g) Chairman of the Joint Chiefs of Staff Instruction 3170.01, "Joint Capabilities Integration and Development," current edition
- (h) DoD Instruction 5025.01, "DoD Directives Program," September 26, 2012
- (i) DoD 7000.14-R, "Department of Defense Financial Management Regulation" current edition

ENCLOSURE 2

RESPONSIBILITIES

1. UNDER SECRETARY OF DEFENSE (COMPTROLLER)/CHIEF FINANCIAL OFFICER, DEPARTMENT OF DEFENSE (USD(C)/CFO). The USD(C)/CFO shall:

- a. Conduct and coordinate the budget review by evaluating the DoD Component budget submissions for financial appropriateness while maintaining the administration's fiscal controls.
- b. Conduct program execution and performance reviews.
- c. Prepare and publish budget decision documents in coordination with the Director, Cost Assessment and Program Evaluation (DCAPE).
- d. Prepare the DoD budget for submission to the Office of Management and Budget (OMB).
- e. Present and justify the DoD budget to the Congress.
- f. Advise the Secretary and Deputy Secretary of Defense on all PPBE matters related to financial management.

2. UNDER SECRETARY OF DEFENSE FOR POLICY (USD(P)). The USD(P) shall:

- a. Conduct and coordinate the planning phase of the PPBE process.
- b. Prepare, coordinate, and publish planning guidance for the employment and development of the force.
- c. Lead DoD-wide efforts for the QDR, including development of the defense strategy.
- d. Review defense planning scenarios and national plans to determine the demands that might be placed on the DoD, identify shortfalls, and guide resource allocations based on strategic analysis when appropriate.
- e. Advise the Secretary and Deputy Secretary of Defense concerning plans, programs, capabilities, and budgets to meet U.S. objectives and counter projected threats and on the degree to which the DoD program supports the defense strategy.
- f. Provide recommendations to the Secretary and Deputy Secretary of Defense, in coordination with the CJCS as appropriate, regarding DoD equities in the processes of other Federal agencies prior to the submittal of agency budgets to OMB to maximize program cost-sharing opportunities. Coordinate communications with the National Security Staff and other Federal departments and agencies with responsibility for national security policy.

3. DCAPE. The DCAPE shall:

a. Prepare and publish:

- (1) DoD fiscal guidance.
- (2) DoD programming guidance.
- (3) Programmatic decision documents in coordination with the USD(C)/CFO.
- (4) The Future Years Defense Program (FYDP).

b. Conduct and coordinate the DoD program review.

c. Provide independent analysis and advice to the Secretary and Deputy Secretary of Defense concerning plans, programs, budgets, and capabilities in relation to U.S. defense objectives, projected threats, estimated costs, and resource constraints established in the PPBE process.

d. Lead analytical efforts in support of the QDR; provide cost estimates for all QDR initiatives in order to recommend resource allocations to support these initiatives. Coordinate these analytical efforts with the USD(P).

4. UNDER SECRETARY OF DEFENSE FOR ACQUISITION, TECHNOLOGY, AND LOGISTICS (USD(AT&L)). The USD(AT&L) shall:

a. Advise the Secretary and Deputy Secretary of Defense on all PPBE matters related to acquisition, technology, logistics, installations, equipment, and environmental functions, including providing cost and schedule needs for approved programs to execute successfully and deliver intended performance within the Defense Acquisition System process.

b. Within the Defense Acquisition System process, ensure approved programs are fiscally and technically executable within available resources.

c. Assist in the development of resource planning goals, programming objectives, and related guidance.

5. UNDER SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS (USD(P&R)). The USD(P&R) shall advise the Secretary and Deputy Secretary of Defense on all PPBE matters related to total force (active and reserve military, civilian, and contract support) including planning, requirements, readiness, workforce mix and balance, applicable personnel policies, and healthcare issues.

6. UNDER SECRETARY OF DEFENSE FOR INTELLIGENCE (USD(I)). The USD(I) shall advise the Secretary and Deputy Secretary of Defense on all PPBE matters related to intelligence, counterintelligence, security, sensitive activities, and other intelligence-related matters.

7. DIRECTOR, ADMINISTRATION AND MANAGEMENT (DA&M). The DA&M shall provide administrative and managerial support to the Deputy Secretary's senior governance bodies.

8. DoD CHIEF INFORMATION OFFICER (DoD CIO). The DoD CIO will participate in the PPBE process and advise the Secretary and Deputy Secretary of Defense, DCAPE, USD(C)/CFO, USD(P), and the USD(AT&L) on major cyber investments, information technology (IT) resource allocations, and investment decisions, including recommending whether to continue, modify, or terminate IT investments. The DoD CIO will also perform these functions as part of the QDR process and the annual Cost Assessment and Program Evaluation Program Review effort.

9. HEADS OF THE DoD COMPONENTS. The Heads of the DoD Components shall develop and execute the programs and budgets necessary to achieve national objectives in accordance with this Directive, and provide the day-to-day management of the resources under their control.

10. CJCS. The CJCS, in addition to the responsibilities in section 9 of this enclosure, shall:
 - a. Advise the Secretary of Defense on all PPBE matters to include The Chairman's Program Recommendation and Assessment of DoD Component programs and budgets as they relate to the priorities established in strategic plans and the requirements of the Commanders of the Combatant Commands and Chief, National Guard Bureau.

 - b. Function as a joint warfighter advocate in all PPBE phases, ensuring that cost-effective solutions for joint warfighter requirements are considered for funding by the DoD Components during the PPBE process.

 - c. Prioritize requirements within warfare capability areas to assist the PPBE process in developing affordable solutions to warfighting problems.

ENCLOSURE 3

RELEASE OF PPBE DOCUMENTS

1. GENERAL. Documents and associated data sets produced during the PPBE process set the details of defense strategy and proposed plans, programs, and budgets.

a. All PPBE documents are, at a minimum, for official use only. Access to materials by those not directly involved in the PPBE process undermines the confidentiality necessary for the Secretary of Defense to obtain candid advice on the defense program. In addition, access to PPBE information by private firms seeking DoD contracts may jeopardize the integrity of the procurement process. Therefore, to the extent permitted by law, PPBE documents and associated data shall not be disclosed outside the DoD and other Government agencies directly involved in the defense planning and resource allocation process.

b. Contracts that require the contractor to have access to PPBE data in the performance of the contract will contain a nondisclosure clause, prohibiting the release of PPBE material and requiring employees to sign a nondisclosure agreement.

c. When permitted by law, requests for release of PPBE documents may be granted on a case-by-case basis to meet compelling needs, under the guidelines described in this enclosure.

2. APPROVAL AUTHORITY. The Secretaries of the Military Departments, CJCS, the Under Secretaries and Assistant Secretaries of Defense, DCAPE, and the Director, Operational Test and Evaluation are designated as the approval authorities for disclosing PPBE documents and data outside the DoD and to other Government agencies directly involved in the defense planning and resource allocation process. This disclosure authority is restricted to PPBE documents and data generated by the offices and organizations they oversee, but excludes the documents and data listed in Section 3 of this enclosure.

3. DISCLOSURE AUTHORITY. The disclosure authority for the documents and data sources listed in paragraphs 3.a. through 3.c. of this enclosure is maintained in OSD. Requests for release of this information must be made in writing to the listed official.

a. USD(P)

- (1) The national defense strategy.
- (2) Planning guidance for employment of the force.
- (3) Planning guidance for development of the force.

b. DCAPE

- (1) Programming guidance.
- (2) Fiscal guidance.
- (3) Program and budget displays.
- (4) Program objective memorandums (POMs), FYDP documents, and Office of the DCAPE data systems (i.e., the Data Warehouse and the Select and Native Programming systems).
- (5) Program review proposals and associated documents, including issue outlines, papers, briefings, and summaries.
- (6) Proposed Military Department program reductions or program offsets.
- (7) Independent cost estimates.
- (8) Analyses of alternatives.

c. USD(C)/CFO

- (1) DoD Component budget submissions, to include budget estimates, justification, and materials submitted in support of budget estimates submissions.
- (2) Budget decision documents.
- (3) Reports on the results of queries from the Comptroller data systems (i.e., Comptroller Information System or the Program Resources Collection Process system).
- (4) Classified P-1; R-1; Procurement Programs; and Research, Development, Test and Evaluation Programs documents.
- (5) Classified DD Form 1414, "Base for Reprogramming Action." Form requirements are provided at http://comptroller.defense.gov/fmr/03/03_06_appendix_a_1.pdf
- (6) Classified DD Form 1416, "Report of Programs." Form requirements are provided at http://comptroller.defense.gov/fmr/03/03_06_appendix_a_4.pdf
- (7) Budget execution reports.

4. COORDINATION. Coordinate with the Office of the General Counsel of the Department of Defense when there is reason to believe that litigation is pending that may influence the release of PPBE information, or otherwise, as appropriate.

ENCLOSURE 4

ADDITIONAL PPBE PROCESS DESCRIPTIONS

1. PLANNING

a. In the planning phase, the military role and defense posture of the United States and the DoD in the world environment shall be examined, considering enduring national security objectives, and the need for efficient management of defense resources. The focus shall be on:

(1) Defining the national defense strategy necessary to help maintain national security and support U.S. foreign policy.

(2) Planning the integrated and balanced military forces necessary to accomplish that strategy.

(3) Defining the policy framework, needed to manage DoD resources, including:

(a) Priorities

(b) Affordability

(c) Balanced risk

(d) Suitability

(e) Feasibility

(f) Effectiveness

(4) Providing strategic decision options to the Secretary of Defense to help in assessing the role of national defense in the formulation of national security policy and related decisions. Those decision options shall be:

(a) Informed by the relevant approved joint operating concepts.

(b) Based on systematic analysis of current and programmed forces in relation to the demands of the primary missions defined by the defense strategy.

b. The DoD statement of national defense objectives and policies and the priorities on military missions shall be conveyed in planning guidance.

c. Conducted under the direction of USD(P), the planning process will evaluate the operational utility and cost effectiveness of major decision options.

2. RESOURCING

a. Programming

(1) The DoD Components shall develop proposed programs consistent with the planning guidance, programming guidance, and fiscal guidance. These programs shall reflect systematic analysis of missions and objectives to be achieved, alternative methods of accomplishing them, and the effective allocation of the resources.

(2) The CJCS shall analyze the programs and provide a risk assessment based on the capability of the composite force level and support program for the U.S. Armed Forces to execute the strategy approved during the planning phase. A program review is conducted; any changes to Component programs are published in decision documents.

b. Budgeting

(1) The DoD Components shall develop and submit detailed budget estimates for their programs in accordance with fiscal and joint programming guidelines and DoD 7000.14-R (Reference (i)).

(2) A budget review shall be conducted in coordination with a program review and with participation by the OMB. Budgetary determinations shall be issued in decision documents.

c. Execution Review

(1) The DoD Components shall conduct annual reviews to determine how well programs and financing have met joint warfighting needs.

(2) The DoD Components shall assess:

(a) Compliance with priorities expressed in the planning and programming guidance.

(b) Compliance with Secretary of Defense decisions and guidance.

(c) Program results, as measured by established performance metrics. Components shall incorporate these performance metrics in their program and budget submissions.

(d) Other results critical to successful program execution.

(3) OSD staff offices shall assess the findings of the DoD Components and recommend program and budget adjustments where applicable, in coordination with the CJCS.

d. FYDP. The decisions associated with all phases of the PPBE process shall be reflected in the FYDP.

GLOSSARY

PART I. ABBREVIATIONS AND ACRONYMS

CJCS	Chairman of the Joint Chiefs of Staff
DCAPE	Director, Cost Assessment and Program Evaluation
DoD CIO	DoD Chief Information Officer
DoDD	DoD Directive
FYDP	Future Years Defense Program
IT	information technology
OMB	Office of Management and Budget
POM	program objectives memorandum
PPBE	planning, programming, budgeting, and execution
QDR	Quadrennial Defense Review
USD(AT&L)	Under Secretary of Defense for Acquisition, Technology, and Logistics
USD(C)/CFO	Under Secretary of Defense (Comptroller)/Chief Financial Officer, Department of Defense
USD(I)	Under Secretary of Defense for Intelligence
USD(P)	Under Secretary of Defense for Policy
USD(P&R)	Under Secretary of Defense for Personnel and Readiness

PART II. DEFINITIONS

These terms and their definitions are for the purpose of this Directive.

FYDP. Program and financial plan for the DoD as approved by the Secretary of Defense. The FYDP arrays cost data, manpower, and force structure over a 5-year period (force structure for an additional 3 years), portraying this data by major force program for DoD internal review for the program and budget review submission. It is also provided to the Congress annually in conjunction with the President's budget.

POM. The final product of the programming process within the DoD, the DoD Component's POM displays the resource allocation decisions of the Military Departments in response to and in accordance with planning and programming guidance.

QDR. A legislatively-mandated review of DoD strategy and priorities. The QDR sets the long-term course for DoD as it assesses the threats and challenges that the Nation faces and re-

balances DoD's strategies, capabilities, and forces to address today's conflicts and tomorrow's threats.

senior review groups. Groups designated by the Secretary or Deputy Secretary of Defense.