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DoN FYDP Improvement Project

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Meeting Notes 10-26-00 (Mtg. With John King- FMB 2)

Greg Cashman, 10/30/2000 - 08:18 AM

10/26/00

John King

FMB-2

I. General Notes

Program Elements (PE) – The program elements should be extended to include subheads so that everyone (Planning, Programming, Budgeting) are on the same page.

The PPBES process lacks inventory data, lacks any valuation mechanism.

FMB-2 falls in the middle of the PPBES process. They perform "Due Diligence" with respect to the DoN budget.

Army & Air force PPBS process is more unified whereas in the DoN, there is more of a split between the Planning/ Programming and Budgeting/Execution phases. The Army and Air Force give the field more control over execution of budgets while there is a more adversarial role between programming, budgeting and execution on the Navy side. This is a source of problems in PPBES.

There are instances of Programming being done at the end of the Budgeting phase. This is not efficient. The entire budget needs to be re-racked at the end of the cycle because new requirements are added late in the process.

There are currently different identifiers of data at different levels. The process needs standardize the identifiers of information

The two digits in front of PE #'s are not needed. PE's should represent the process (O&M, procurement, etc), what stage the process is in, the type of item and the specific item being represented by the PE.

Blue/Green Split – Refers to money which is expended on USMC items although it is actually tagged as a Navy Appropriation.

Sponsor Program Proposal (SPP) – Represent the resource sponsor's major proposals for the Navy's POM.

Sponsor Change Proposals – Changes to the SPP prior to finalizing the POM for the second year of the biennial budget.

Fleet commanders are involved (too involved?) in all stages of the PPBES process -during the POM build, DoN budget development, OSD budget, and execution. If they do not get the results they are looking for at one point in the process they can continue to intervene in the process throughout the entire lifecycle.

When local commands successfully implement cost cutting initiative (such as substituting capital for labor), the local commands keep the savings they have realized, the money does not flow back up to the NAVCOMPT budget.

NBTS doesn't include PE's for some line items. When the NBTS database is forwarded to OSD, OSD uses a crosswalk to match line items to PE's.

II. Potential Process Improvements

NBTS – Naval Budget Tracking System has significant ownership issues. There are often multiple owners of an individual line item and this creates problems. For example, an analyst could go into NBTS and cut an individual line item that is "owned" by several different resource sponsors/ claimants. When making this adjustment, the analyst is not required to apportion the line item cut among its different owners. This leads to inaccurate distribution of adjustments. There is a need for a control that would enable the analyst to apportion the line item adjustment to its different owners or provide additional information about the adjustment.

DoN & USMC are split into a number of different stovepipes capturing the different functions performed. Each of the different stovepipes has a different program element scheme. One difficulty is that one you purchase an item (e.g., a radio) you need to fit that item into one of the different program element schemes. There are matrices to assist in doing this but this process could be streamlined.

Current system does not do an adequate job of providing management with visibility of the different options that are available to achieve a given end. Due to the way things are coded (PE's) it is very difficult to get at the required information. PE restructuring should address the ability to provide users with true costs vs. overhead costs, and the impacts of overcapacity costs.

III. Related Systems

NBTS – Naval Budget Tracking System – see Potential Process Improvements section for additional info.

