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PLANNING, PROGRAMMING, BUDGETING AND EVALUATION (PPBE) PROCESS



**NATIONAL NUCLEAR SECURITY ADMINISTRATION
Office of Financial Management**

PLANNING, PROGRAMMING, BUDGETING AND EVALUATION PROCESS

1. PURPOSE. “Establish procedures to ensure that the planning, programming, budgeting, and financial activities of the Administration comport with sound financial and fiscal management principles.” [Public Law 106-65, SEC. 3252; 50 USC 2452]
2. CANCELLATIONS. None.
3. APPLICABILITY. All Administration program elements and organizations.
4. BACKGROUND.
 - a. To achieve the vision of operating an efficient and agile nuclear security enterprise recognized for world-class technical leadership and program management, the National Nuclear Security Administration (NNSA) is using an **operating philosophy** supported by new business systems and practices throughout the complex. The key concept is that all four stages of the PPBE process are linked into a continuous cycle. Through planning, everyone understands how individual contributions help accomplish overall goals. Through programming and budgeting, program and project managers set priorities, plans, cost and schedules for budget and performance integration; and through evaluation, progress is assessed, feedback is provided for future planning, and achievement is truly rewarded so that people recognize the advantage in performing well.
 - b. The PPBE operating philosophy is mutually supportive with the established missions and functions of the NNSA organization, whereby planning and programming are primarily Headquarters (HQ) functions, and budgeting, budget execution and evaluation of the programs are shared responsibilities of HQ Albuquerque complex and site offices. At HQ, NNSA’s PPBE process is focused on **horizontal integration** of the principal program/management elements: Defense Programs, Defense Nuclear Nonproliferation, Naval Reactors, Nuclear Counterterrorism Incident Response, Defense Nuclear Security, Science and Policy, Information Management and Management and Budget. The **vertical integration** between HQ programs and field Federal and contractor elements is the responsibility of the eight principal program/management elements, noted above.
 - c. This approach recognizes that each of the major NNSA program elements manages its program execution and the interface with the field contractors differently.
 - (1) The strategies to achieve our goals are translated into a NNSA Baseline Program documented in multi-year program plans. These plans are the

primary documents used to manage programs and develop multi-year budgets within our enterprise.


- (2) From these multi-year program plans will flow the Annual Operating/ Implementation Plans that include metrics/milestones for program execution and evaluation.

5. REQUIREMENTS.

- a. Planning. Planning cascades from Headquarters to all NNSA elements. Planning at *every* level is essential for the organization to understand how their individual efforts contribute to this program, and should be relatively “fiscally unconstrained” to assure that all requirements and approaches are considered.
 - (1) The NNSA Strategic Plan is the first step in setting clear direction. It cascades from the DOE Strategic Plan, and establishes the Administrator’s short and long-term vision, priorities, and issues that we face as an organization, and articulates goals, means and strategies for the organization. The Plan provides the framework for top to bottom linkages in NNSA planning, programming, budgeting and evaluation activities.
 - (2) NNSA Strategic Planning Guidance updates and/or validates the Administrator’s vision and priorities and may “emerging issues” that might challenge the NNSA Baseline Program and direct some “excursions” that may be further studied and explored during the Programming process.
 - (3) Internal multi-year program plans are the primary PPBE source document for the NNSA program elements. These plans provide the endpoint goals driving the programs, as well as metrics/ milestones in the Annual Operating/Implementation plans. These plans are developed between HQ program managers and field elements.
- b. Programming. This is a HQ-driven process to facilitate program development, prioritization and corporate integration and decision-making for the program/management elements of the NNSA. This process is “fiscally conscious”, using the previous year’s President’s Budget estimates as the starting point. The programming process uses specific guidance and program reviews to develop proposals to update and rebalance baseline programs, identify for discussion those changes to implement policy and program changes, and document NNSA programming process decisions:
 - (1) Internal multi-year program plans

- (2) NNSA Program Reviews
 - (3) NNSA Program and Fiscal Guidance
 - (4) Future-Years Nuclear Security Program (FYNSP) (incorporated into Budget request)
 - (5) Program priorities and guidance to field elements
 - (6) NNSA Administrator's Final Recommendations (AFR) (records Administrator's programming decisions for presentation to the DOE)
- c. Budgeting. This is part of the process where integrated planning and programming is brought into the "fiscally constrained" environment. The Budgeting function comprises Budget Formulation using Budget Execution. Documents and processes related to this function are:
- (1) NNSA Call for Budget Information
 - (2) Budget Validation
 - (3) Program Decision Memorandum (PDM) (DOE-generated)
 - (4) NNSA Budget Request to OMB
 - (5) President's Budget Request
 - (6) NNSA Budget Execution Call
 - (7) Annual Program Operating/Implementation Plans
 - (8) Apportionments (OMB generated)
 - (9) Allotments
 - (10) Work Authorizations
 - (11) Approved Funding Programs
 - (12) Baseline Change Controls
 - (13) Monthly Financial Reports
 - (14) Mid-Year Financial and Performance Reviews
- d. Evaluation. This process facilitates the assessment of program management and performance measurement in accordance with the Government Performance and Results Modernization Act (GPRA) of 2010, the President's Accountable Government Initiative, and Executive Order 13450 Improving Government Program Performance. The key documents and processes are:
- (1) Performance Measurement Data
 - (2) Program and Project Reviews
 - (3) NNSA Annual Performance Report
 - (4) Annual Accountability Report
 - (5) Priority Goals Reviews

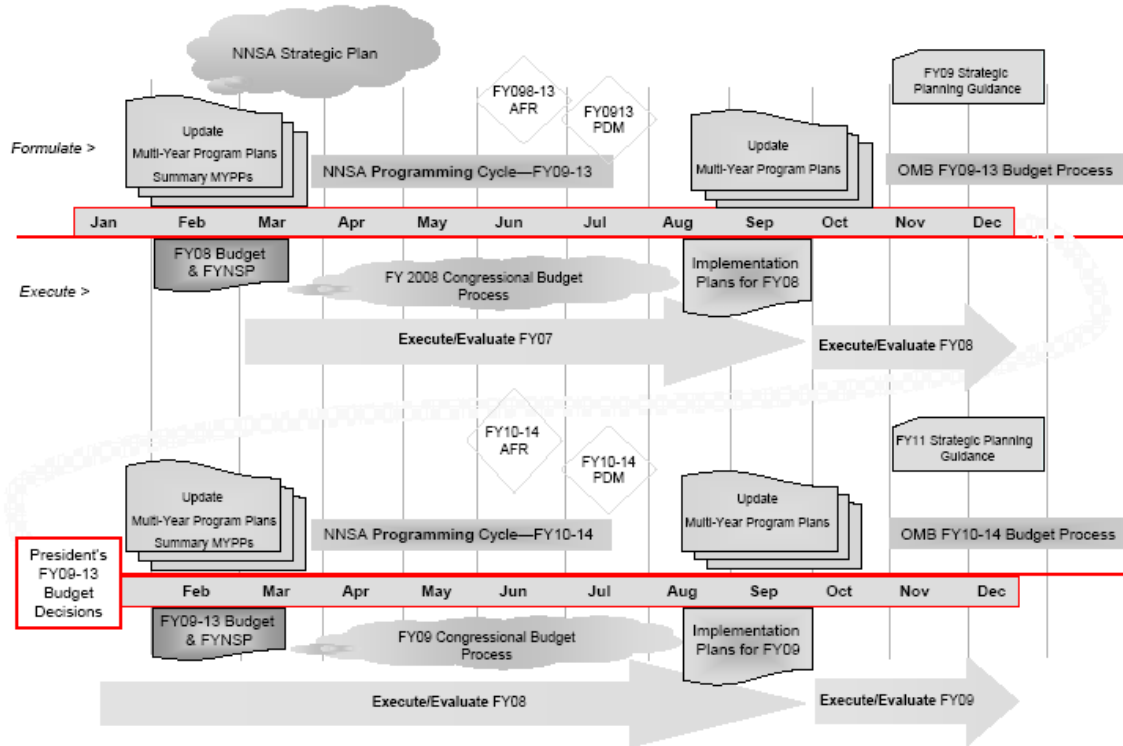
- (a) Linkages to other NNSA processes. This process ensures complete budget and performance integration. The PPBE concepts are included in several related NNSA processes. Examples include:
- i. Corporate Performance Evaluation Process for M&O Contractors (NAP-4B)
 - ii. Employee Performance Reviews: The inclusion of program performance measurement data included in the Budget/FYNSP for Employee Performance Reviews.
6. RESPONSIBILITIES. Conducting all business systems and practices using the PPBE operating philosophy is the responsibility of all NNSA elements. The Associate Administrator for Management and Budget is responsible for developing, implementing, directing and maintaining the process. Comprehensive instructions for each of the PPBE process elements are included on the NNSA Intranet site. The attached charts depict the linkage of performance and financial information for the Administrator's PPBE process and the notional timelines for the integrated PPBE process.
7. REFERENCES. Department of Energy (DOE) O 135.1A, Budget Execution Funds Distribution and Control; DOE O 130.1, Budget Formulation; DOE O 137.1A, Plan for Operating in the Event of a Lapse in Appropriations; DOE O 412.1A, Work Authorization System; DOE O 413.3B, Program and Project Management for the Acquisition of Capital Assets; DOE O 520.1A, Chief Financial Officer Responsibilities; DOE G 120-1-5, Guidelines for Performance Measurement; Government Performance and Results Modernization Act (GPRA) of 2010.


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- Attachment 1. NNSA PPBE Calendar
Attachment 2. Planning and Performance Cascade
Attachment 3. NNSA Performance Cascade (Updated)

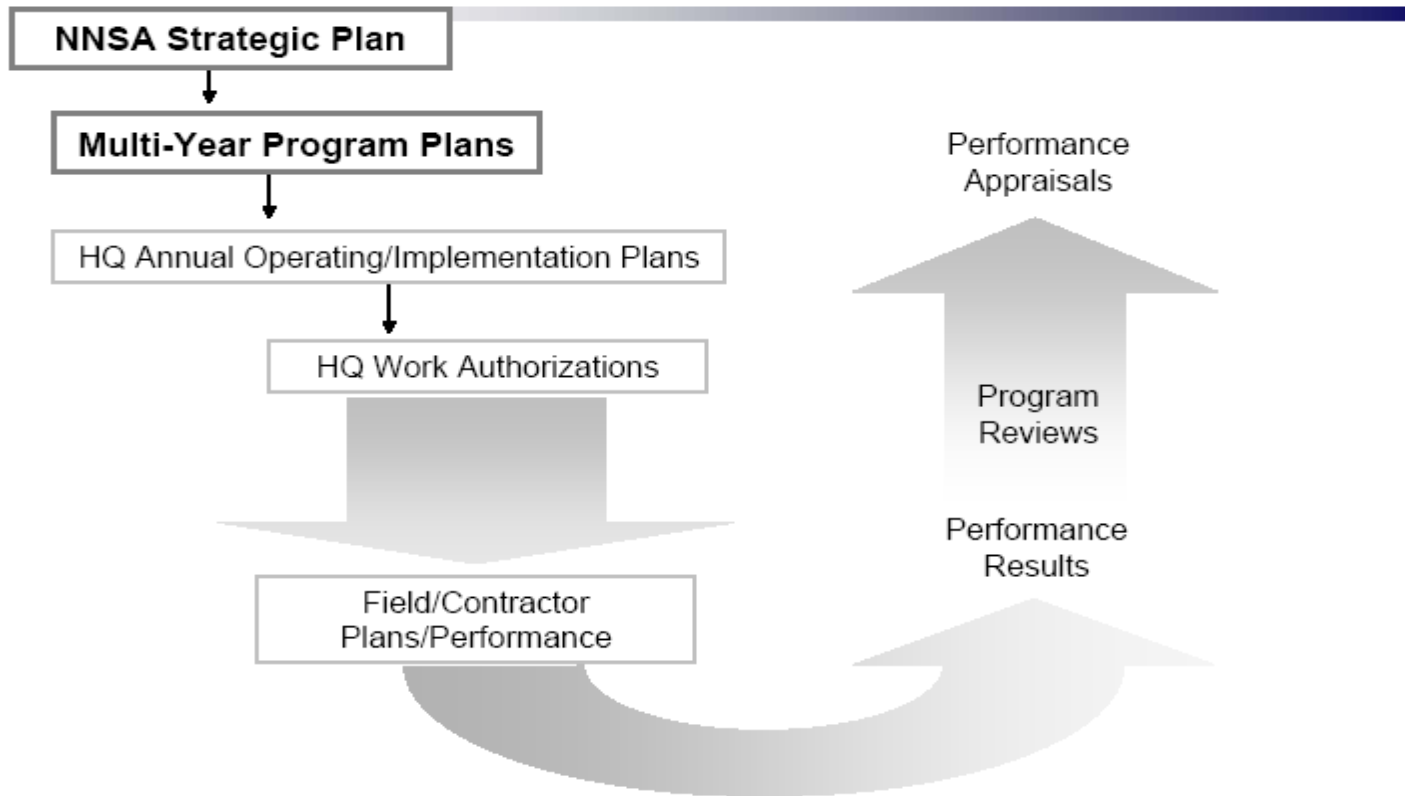


NNSA PPBE Calendar





Planning and Performance Cascade





NNSA Performance Cascade

