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PPBE BUDGET FORMULATION PROCESS



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

PPBE BUDGET FORMULATION PROCESS

1. **PURPOSE.** To establish formalized procedures within the NNSA for the formulation of annual NNSA budget submissions within the framework of the NNSA's Planning, Programming, Budgeting, and Evaluation process.
2. **CANCELLATIONS.** None.
3. **APPLICABILITY.** The provisions of this Policy Letter apply to all NNSA organizational elements.
4. **BACKGROUND.**
 - a. The NNSA involvement in the Department's budget formulation process consists of four distinct phases: the NNSA Programming Process, the Strategic Resources Review (SRR) Process, the Office of Management and Budget (OMB) Budget Review Process, and the Congressional Review Process.
 - b. The NNSA programs interact with the field as needed, e.g., with field budget reviews and/or submissions to automated databases. The NNSA sites provide requested crosscutting site data to the DOE as requested in this call.
 - c. The NNSA participates fully in the DOE Strategic Resources Review process.
 - d. The NNSA is required to submit its OMB Budget Request/President's Budget Request through the Department's Chief Financial Officer (CFO), in order to ensure consistency of DOE budget documents.
 - e. The role of the CFO is to review budget materials to ensure compliance with final Secretarial decisions as documented in the Program Decision Memoranda (PDM), OMB Passback allowance levels, OMB circular A-11, and the DOE Budget Formulation Handbook.
5. **REQUIREMENTS.** Budgeting is the phase that integrates planning and programming resource estimates into a "fiscally constrained" environment. Budget justifications include the FYNSP and performance data.
 - a. Strategic Resources Review
 - (1) Individual NNSA programs use their supporting processes to update program plans and budgetary data to meet the budgeting requirements of the Planning, Programming, Budgeting, and Evaluation (PPBE) process. The NNSA conducts an internal corporate Programming process in late spring that determines overall NNSA program priorities within the five-

year funding envelope and codifies these decisions in a formal document entitled “Administrator’s Final Recommendations” (AFR). This provides the basis for interaction with the DOE through the SRR, and for the development of the NNSA Budget Request.

- (2) The NNSA participates fully in the DOE SRR process, providing all data requested including the Integrated Priority Listing (IPL) and ancillary schedules required by the DOE.

b. The OMB/President’s Budget

- (1) At the completion of the NNSA Programming Phase and the DOE SRR, the Budget Formulation process begins.
- (2) Based on the Administrator’s program and budget assumptions the DOE Program Decision Memorandum (PDM), the NNSA Call for the Budget Information is issued to the NNSA Program Offices to request information needed to develop the OMB budget submission.
- (3) Concurrently with the Call for Budget Information, the NNSA participates in the DOE PDM appeal process, if needed, to determine final DOE budget decisions for the OMB submission.
- (4) Budget justifications, including the integrated FYNSP and ancillary materials, are prepared for submission to OMB through the CFO in accordance with the requirements described in the DOE Budget Formulation Handbook, OMB Budget Call, and OMB Circular A-11 (Preparation, Submission, and Execution of the Budget).
- (5) The NNSA participates in OMB Budget briefings, and appeal of OMB Passback decisions processes, if required, which determine the final funding results and policy guidance for the President’s Budget Request.
- (6) Based on the final OMB Passback, NNSA’s President’s Budget Request is updated and submitted to the Congress through the OMB and the CFO. The DOE and NNSA are evaluating automated systems for this phase of the process as part of the DOE’s “Standard Budget System” module of I-MANAGE.
- (7) Budget justifications support the Congressional hearing process, including testimony, questions and answers, markups, and appeals.

- (8) In preparation for program and budget execution, Annual Operating/Implementation Plans are prepared by programs on the basis of the President's Budget Request and then updated to reflect the signed Appropriation Bill for the Fiscal Year.
- (9) External multi-year program plans flowing from internal multi-year program plans and the Budget/FYNSP are also developed by program managers.

6. RESPONSIBILITIES.

a. The NNSA Administrator:


- (1) Responsible for approving the internal resource allocations during the Programming phase as documented in the AFR.
- (2) Responsible for negotiating final Secretarial budget decisions with the DOE CFO.
- (3) Submits NNSA's Budget Request to the CFO, OMB, and Congress.

b. The Director, Office of Financial Management (NA-MB-30) is responsible for:

- (1) Managing and coordinating the overall Budget Formulation process.
- (2) Developing and issuing the NNSA Call for Budget Information to support the OMB and the President's Budget Requests.
- (3) Reviewing and integrating input from program offices to ensure that requests fully support the goals of the NNSA and Department's Strategic Plan and Planning Guidance, PDM, and that content is consistent with NNSA's corporate policy and funding guidance, Congressional structures and DOE/NNSA formats.
- (4) Coordinating with DOE CFO on budget formulation processes including submission of SRR materials, NNSA's Budget Request, OMB Passback, and OMB appeals.
- (5) Interpreting and implementing budget formulation policy and procedures, and providing guidance and assistance to program staff in the development of budget formulation materials, including coordinating final Office of Declassification review.

- (6) Producing the final integrated NNSA budget documentation, including maintaining official NNSA statistical table and databases that support budget justifications, including FYNSP.
 - (7) Overseeing and documenting validations of the resource estimates underpinning the NNSA budget per Business Operating Procedure (BOP).
 - (8) Maintaining and updating the NNSA PPBE Policy Letter/BOPs on Budget Formulation on the NNSA intranet. The URL address is <https://hq.na.gov/ppbe/> located under “NNSA Policy”.
- c. The Headquarters (HQ) NNSA Elements (Defense Programs, Defense Nuclear Nonproliferation, Naval Reactors, Nuclear Counterterrorism Incident Response, Defense Nuclear Security, Cyber Security, and Management and Budget) are responsible for:
- (1) Providing input for budget formulation for all programs in response to the guidance in the DOE SRR as well as the NNSA Call for Budget Information consistent with the DOE PDM.
 - (2) Reviewing and commenting on the final budgetary documents.
 - (3) Participating in the OMB review, including the Passback process.
 - (4) Responding to formulation findings, recommendations and OMB inquiries.
- d. The Office of Field Financial Management is responsible for:
- (1) Collecting, consolidating, and submitting to NA-MB-30 crosscut and ancillary data.
 - (2) Assisting program offices in the development of budgetary materials if requested.
 - (3) Participating in Budget Formulation Validation Review teams as requested for budget estimates developed by NNSA elements.
- e. The NNSA Site Offices are responsible for:
- (1) Providing requested crosscutting site data to the DOE as requested.

- (2) Participating in the annual budget formulation validation process for estimates developed by M&O contractors to ensure reasonableness of cost estimates.
 - (3) Coordinating with the site as requested.
7. REFERENCES. Department of Energy (DOE) DOE O 130.1, Budget Formulation; 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.
8. CONTACT. The NNSA, Office of Financial Management, NA-MB-30, 202-586-1087.


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Attachment 1. Formulation Timeline

ATTACHMENT 1
Approximate Formulation Timeline

FORMULATION OF THE ANNUAL 5-YEAR BUDGET DOCUMENT

February	Issuance of NNSA Strategic Planning Guidance and Program and Fiscal Guidance
February-April	Conduct Programming Process
May	Issue AFR and develop NNSA's Corporate Budget Review materials
June	Participate in the DOE SRR
July	Receive DOE PDM; Issue NNSA Call for Budget Information
August	Develop and integrate NNSA Draft OMB Budget Request
September	CFO submits NNSA OMB Budget Request to OMB
October	OMB Reviews NNSA Budget Request/briefings
November	OMB Passback and Appeal Process
December-January	Develop President's Budget/FYNSP Request for FY BY + 4
Early February	DOE submits President's Budget/FYNSP Request for FY BY + 4 to Congress