

**29 JULY 1994**



**Operations Support**

**PLANNING, PROGRAMMING, AND  
BUDGETING SYSTEM**

---

**NOTICE:** This publication is available digitally on the SAF/AAD WWW site at: <http://afpubs.hq.af.mil>. If you lack access, contact your Publishing Distribution Office (PDO).

---

OPR: HQ USAF/PEI (Mr Andy Crawford)

Certified by: HQ USAF/PEI  
(Col William H. Sessoms)

Pages: 7

Distribution: F

- 1.** Responsible resource allocation serves as the foundation of all successful Air Force activities. The allocation process must be orderly, designed to achieve highest capability with available assets, and compatible with the Department of Defense (DoD) allocation process. The Air Force must have policies that accurately determine requirements, successfully integrate all activities competing for limited fiscal resources, and support the DoD with a process that achieves the greatest Air Force and overall military capability.
- 2.** The Planning, Programming, and Budgeting System (PPBS) is a cyclic process containing three distinct but interrelated phases:
  - 2.1. Planning, which produces a fiscal forecast, planning guidance, and program guidance.
  - 2.2. Programming, which creates the Air Force portion of the DoD's Future Years Defense Program (FYDP) by defining and examining alternative forces and weapons and support systems.
  - 2.3. Budgeting, which formulates, executes, and controls resource requirements, allocation, and use.
- 3.** The Office of the Secretary of the Air Force and Headquarters Air Force are responsible for the Air Force PPBS. The Director of the Directorate of Programs and Evaluation (HQ USAF/PE) has administrative responsibility for this policy, the attached metrics, and AFI 16-501, *Control and Documentation of Air Force Programs* (formerly AFR 27-9).
- 4.** This policy applies to all personnel involved in the acquisition or use of Air Force resources.
- 5.** This policy implements DoD Directive 7045.14, *Planning, Programming, and Budgeting System (PPBS)*, May 22, 1984, with Change 1.
- 6.** This policy interfaces with various resource allocation and acquisition publications including DoD Directive 7045.14. Related instructions are in AFI 16-501.

7. See [Attachment 1](#) for measures of compliance with this policy directive.

CHARLES R. HEFLEBOWER, Brig General, USAF  
Director of Programs and Evaluation

## Attachment 1

### MEASURING COMPLIANCE WITH POLICY

**A1.1.** Compliance with policy on the PPBS cannot be measured with a single objective standard. PPBS is an interactive process of extreme complexity requiring performance from all service components as well as OSD. Nevertheless, combining the data derived from several different measurements allows an aggregate view of compliance. Therefore, compliance with PPBS policy will be measured in three areas. These measures will be directed at the three phases of PPBS: planning, programming, and budgeting.

**A1.1.1. Planning Phase Measurement.** Compliance will be measured in two ways:

A1.1.1.1. First, the measures of compliance for Air Force guidance documents are useful and timely. To capture these parameters a customer satisfaction survey of Air Force planners is conducted for both the fiscal forecast and the planning documents. Graphic display of compliance is a bar graph that shows the degree of timeliness and usefulness as reported by the planner, programmer, or customers from the respective survey. The Y-axis shows degree of satisfaction (0 unacceptable to 5 outstanding). The X-axis lists the characteristics. Previous year results will be shown for each characteristic after the initial surveys. The goals for each survey will be established by the Director of Plans before each survey (**Figure A1.1.**).

A1.1.1.2. Second, the Air Force Fiscal Forecast will be compared with the Office of Secretary of Defense (OSD) Fiscal Guidance Memorandum, issued during the program phase. Graphic display of compliance will be prepared after the OSD Fiscal Guidance Memorandum is issued and will be in the form of a line graph depicting the percentage delta between the Air Force Fiscal Forecast and the OSD Guidance for the most current forecast and the past two forecasts (when these become available, this is a new product) with absolute percent of deviation from OSD Guidance on the Y-axis and the 6 fiscal years of the forecasts on the X-axis (**Figure A1.2.**).

**A1.1.2. Programming Phase Measurement.** Compliance will be measured in two ways:

A1.1.2.1. First, the ultimate objective of PPBS is defined in DoD Directive 7045.14, "...to provide the operational commanders-in-chief the best mix of forces, equipment, and support attainable within fiscal constraints," consistent with Defense Guidance and National Military Strategy. As an integral part of the Program Objective Memorandum (POM), the Air Force will document all Air Force portions of the Integrated Priority Lists (IPL) of requirements submitted by the commanders-in-chief (CINC). Said documentation will set forth, in fiscal terms, the amounts programmed for each requirement. Graphic display of compliance will be prepared at time of POM submission as a pie chart with the number of Integrated Priorities meeting specified funding criteria (expressed as a percentage) depicted as appropriate sized slices of the pie. (**Figure A1.3.**)

A1.1.2.2. Second, the PPBS has another built-in compliance mechanism in the form of program review. Program review is designed to check the POM against prior guidance. The Secretary of Defense evaluates deviations which are brought back in line and documented by the Program Decision Memorandums (PDM). Graphic display of compliance will be prepared at termination of the POM issue cycle and will be a line graph for the current issue cycle and the two previous cycles with the PDMs depicted as absolute percent deviations from guidance on the Y-axis and the 6 fiscal years X-axis (**Figure A1.4.**).

**A1.1.3. Budgeting Phase Measurement.** The PPBS post-Budget Estimate Submission (BES) review cycle assures built-in compliance with the Defense Planning and Resources Board serving as the fact finding reviewer and the Secretary of Defense serving as the decision authority. Documentation of decisions assuring compliance is achieved with Program Budget Decisions. Graphic display of compliance will be prepared at the time that the BES PBD cycle is completed and will be line graph for the current review cycle and the two previous cycles with the PBDs depicted as absolute percent deviations from the BES on the Y-axis and 6 fiscal years on the X-axis ([Figure A1.5](#)).

Figure A1.1. Sample Metric of Planning: Usefulness and Timeliness.

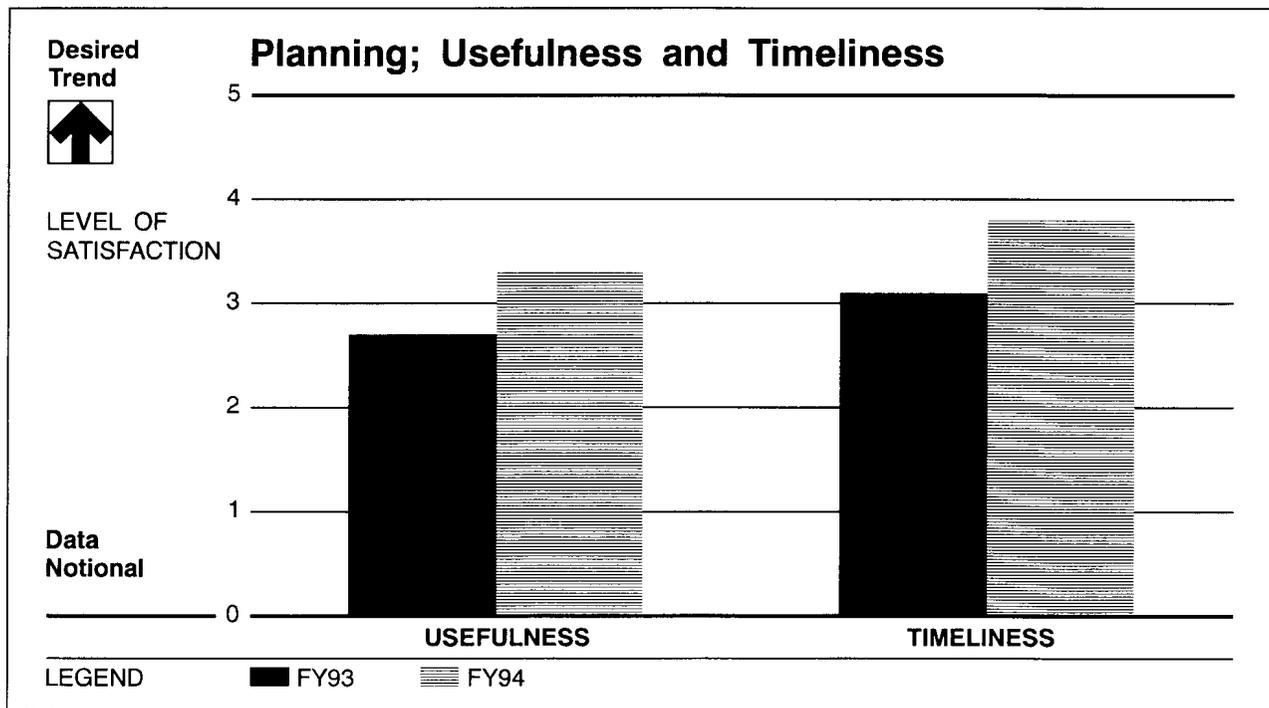


Figure A1.2. Sample Metric of AF vs. OSD Fiscal Guidance.

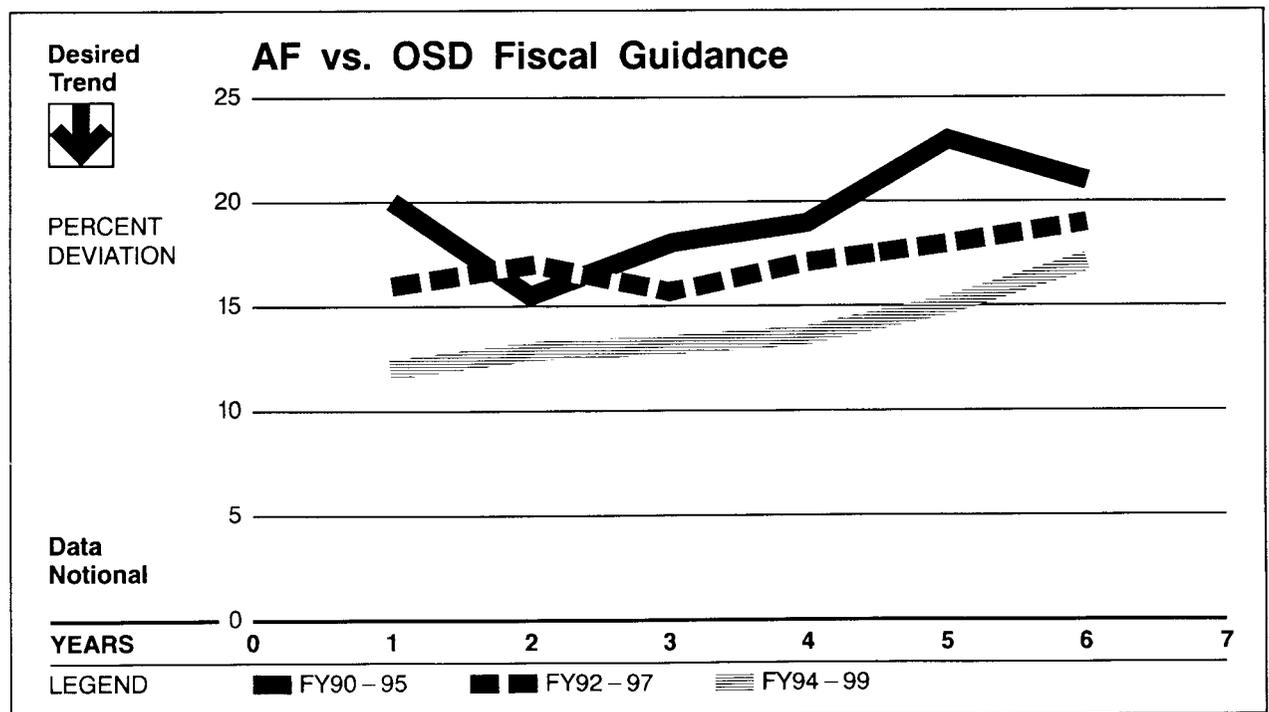


Figure A1.3. Sample Metric CINC IPL Funding.

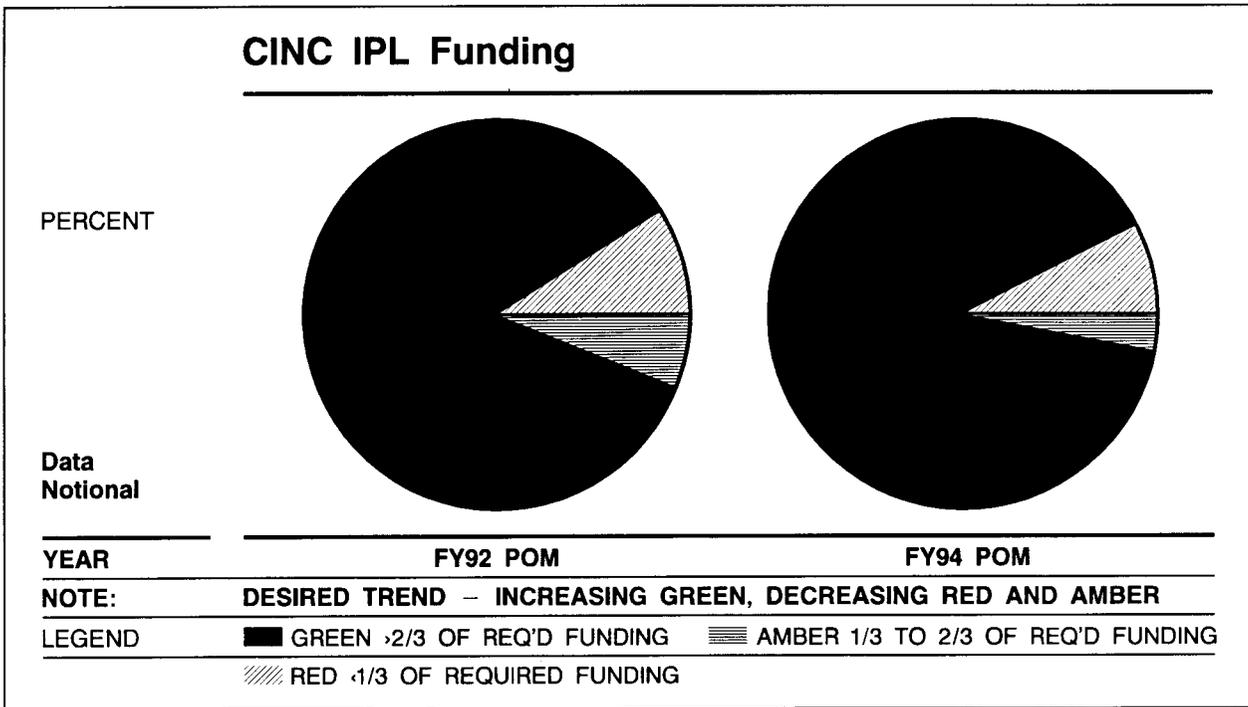


Figure A1.4. Sample Metric of PDMs vs. Guidance

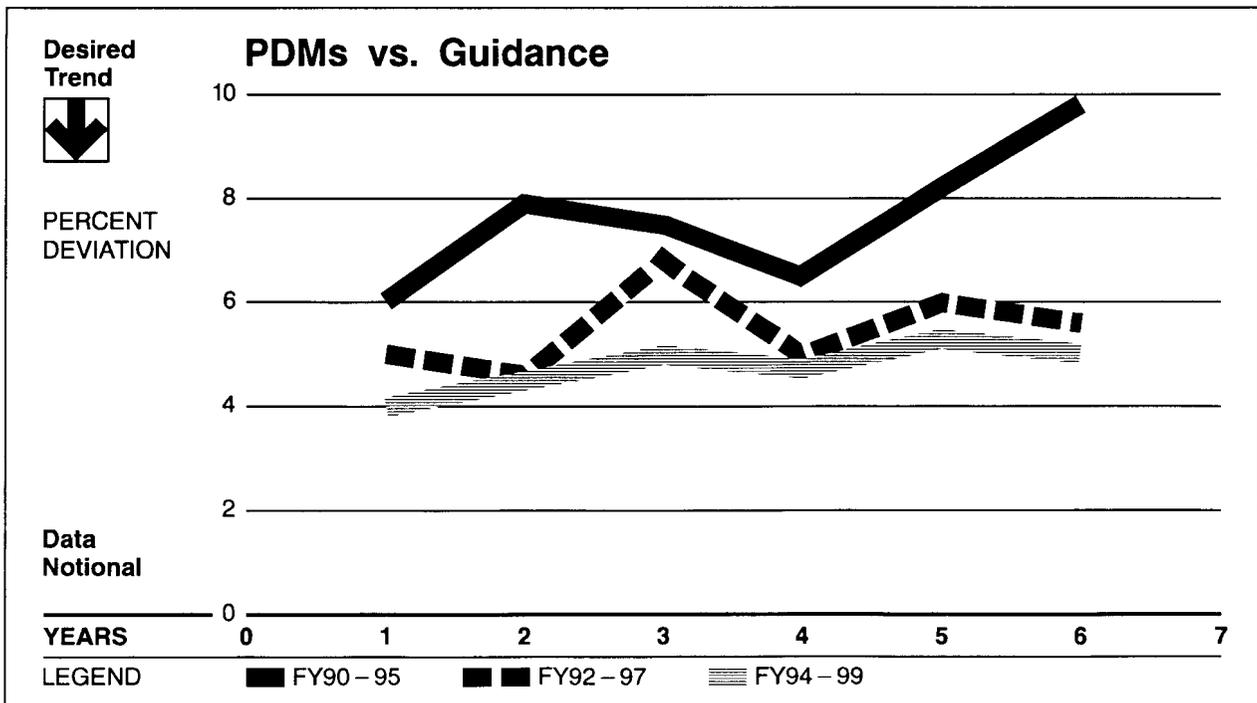


Figure A1.5. Sample Metric of PBDs vs. BES.

