DEPUTY SECRETARY OF DEFENSE
1010 DEFENSE PENTAGON
WASHINGTON, DC 20301-1010

APR - 9 2010

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Procedures and Schedule for Fiscal Year (FY) 2012-2016 Integrated Program/Budget Review

This memorandum outlines the general procedures and schedule for this year's integrated Program/Budget Review. The Program Review will consider changes to the Components' Program Objectives Memoranda (POM) and Budget Estimates Submission (BES), strategic capability balancing, and compliance with prior guidance. The Budget Review, jointly conducted by the Office of the Secretary of Defense (OSD) and the Office of Management and Budget (OMB), will evaluate the justification material submitted by the Components for their BES based upon program pricing, executability, and compliance with fiscal, program, and legislative guidance. The Budget Review will focus on both the base budget and the Overseas Contingency Operations (OCO) budget requests for FY 2012. The review will also evaluate prior performance, as evidenced by performance metrics, and where necessary, will propose adjustments to improve program performance. Component submissions for both the base and OCO budget requests will occur concurrently.

The Department is committed to developing realistic and stable budgets. Beginning with this year's review, we are making some key changes to our programming and budgeting process. First, the Guidance for the Development of the Force (GDF) and the Joint Programming Guidance (JPG) will be combined into the Defense Planning and Programming Guidance (DPPG). Second, the Department will develop only single year budgets each year. Next, the annual Program/Budget Reviews will focus on a 5-year period each cycle, with a single year extension to promote greater stability from budget to budget. Therefore, this year's Program/Budget submissions for the base budget will be limited to FY 2012 through FY 2016. The OCO submission will be limited to FY 2012. Finally, the Department will conduct a number of Front End Assessments (FEAs) to address major issues identified by the Secretary. These assessments will focus on strategic issues that will impact the Department's resource allocations. The FEAs will be conducted during the Summer and early Fall and will synchronize with the normal program and budget decision process.

Components' POM and BES will continue to form the baseline for the upcoming Integrated Program /Budget Review, preparation of the FY 2012 President's Budget and the accompanying Future Years Defense Program (FYDP). These submissions must comply with prior Resource Management Decisions (RMDs), Program Decision Memoranda (PDMs), Program Budget Decisions (PBDs), the DPPG, and Fiscal Guidance. Components may not make adjustments to the National Intelligence Program

(NIP) in the submission of their POM/BES. The NIP activities will be addressed during the Program/Budget Review process. The Components are directed to address exceptions to compliance with this guidance in their submissions.

Specific data requirements, instructions, procedures, and formats for Program/Budget Review materials will be posted on the Secret Internet Protocol Router Network websites for Program Review (https://dpd.pae.osd.smil.mil/pr) and the Office of the Under Secretary of Defense (Comptroller) (http://cisweb.ousdc.osd.smil.mil). A new requirement to explicitly identify programmatic content in system inputs will be forth coming for the FY 2012-FY 2016 cycle. Details on this requirement will be included in subsequent guidance.

The attached schedule establishes milestones to achieve completion of the Program and Budget Review by November 22, 2010. This schedule will be amended as required.

Attachment:
As stated

DISTRIBUTION:
SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
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FY 2012-FY 2016 Program/Budget Submission/Review Schedule*

Fiscal Guidance Issued	April 2
FY 2012-2016 Integrated Program and Budget Guidance Issued	April
Defense Planning and Programming Guidance Issued	April
OSD Databases Open for Input	July 1
Component POM/BES Submissions Due (databases lock)	July 30
OMB Circular A-11 Published	July
Component POM Briefs to 3-Star/DAWG	Aug 2-13
Draft FYDP Available	Aug 13
Issue Nominations Due	Aug 30
USD/COCOM Issue Briefs to Deputy Secretary	Sep 1-3
Budget Justification Material Due to OSD/OMB	Sep 3
Select and Native Programming (SNaP) Exhibits Due	Sep 3
Issue Nomination Disposition	Sep 10
Manpower System MOA cut off date	Oct 22
Program/Budget Review Complete	Nov 22
President's Budget Released	Feb 7

*This schedule will be amended as required.