DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
1000 NAVY PENTAGON
WASHINGTON DC 20350·1000

SECNAVINST 7000.30
ASN (FM&C)
26 Aug 2021

SECNAV INSTRUCTION 7000.30

From: Secretary of the Navy

Subj: THE PLANNING, PROGRAMMING, BUDGETING, AND EXECUTION PROCESS

Ref: (a) DoD Directive 7045.14 of 25 January 2013
(b) SECNAVINST 5430.7S
(c) SECNAV M-5214.1
(d) 10 U.S.C. §2222
(e) OMB Circular A-11

Encl: (1) Responsibilities
(2) Release of PPBE Documents
(3) Additional PPBE Process Descriptions
(4) Glossary

1. Purpose

a. Establishes Department of the Navy (DON) guidance for the Planning, Programming, Budgeting, and Execution (PPBE) process in accordance with references (a) through (e).

b. Provides PPBE process descriptions for the DON.

2. Applicability. This directive applies to the United States Navy, the United States Marine Corps and the DON Secretariat.

3. Policy. It is DON policy that:

a. The PPBE process shall serve as the annual resource allocation process for the DON. Goals, objectives, policy, programmatic, and budgetary guidance are provided by higher authority which is integrated into the PPBE process. This includes the President's National Security Strategic Guidance and the Secretary of Defense (SECDEF) National Military Strategy, National Defense Strategy (NDS), Defense Planning Guidance, and Integrated Program/Budget Guidance. Guidance internal to the DON includes the Secretary of the Navy Strategic Guidance; the Secretary of the Navy Programming Guidance; and

the Assistant Secretary of the Navy (Financial Management and Comptroller) (ASN (FM&C)) Fiscal and Budget Guidance. Programs and budgets shall be formulated annually, in a sequential process, where the budget implements goals of the program. The budget shall cover one year, and the program shall encompass an additional four years per reference (a).

b. The Secretary of the Navy (SECNAV):

(1) Provides centralized policy, and issues strategic and programming guidance throughout the PPBE process.

(2) Exercises centralized control of executive policy direction by defining planning goals, making major policy decisions, and allocating resources.

(3) Assisted by ASN (FM&C), approves final program and budget decisions, submissions and appeals.

c. The Under Secretary of the Navy (UNSECNAV):

(1) Provides amplifying direction, as necessary, to the Navy, Marine Corps, and Secretariat in support of the SECNAV's policies.

(2) Chairs leadership forums on key programming issues throughout the process.

(3) As the Chief Management Officer, assesses Defense Business (DBS) investments, as defined by reference (d), for alignment with the DON business enterprise architecture and strategic plan. Before the budget is submitted, manages the process for reviewing DBS investments in coordination with ASN (FM&C) and the DON Chief Information Officer (DON CIO). In accordance with reference (d), conducts initial approval, determinations, and annual certification for any fiscal year in which funds are expended for development or sustainment pursuant to a covered DBS program.

d. The ASN (FM&C):

(1) Manages the day-to-day operations of the PPBE process, per reference (b).

(2) Provides overall PPBE leadership and oversight to the Navy, Marine Corps, and Secretariat, and assists the SECNAV by managing the DON PPBE process.

(3) Chairs leadership forums on budgeting issues.

4. Responsibilities. See enclosure (1).

5. Release of PPBE Documents. See enclosure (2).

6. The PPBE process

a. Supports the objective to provide the Combatant Commanders with the most effective mix of naval forces, equipment, manpower, and support attainable within fiscal constraints.

b. Facilitates the alignment of resources to prioritized capabilities based on an overarching strategy, and requires balancing necessary warfighting capabilities with risk, affordability, and effectiveness.

c. Provides mechanisms for making and implementing fiscally sound decisions in support of the national security strategy and NDS utilizing analysis and deliberate assessments.

d. Facilitates execution reviews of past decisions and actions. The reviews shall assess actual execution performance based on goals and strategic objectives. Recommendations from these reviews shall be linked to decisions on future resource allocations, and for acquisition programs be coordinated with the Milestone Decision Authority.

e. Ensures that leadership forums are held to satisfy and implement the programmatic and budgetary priorities directed by the SECNAV. ASN (FM&C) will ensure that these leadership forums will be convened periodically to review and make recommendations or decisions on emerging issues. The purpose of these forums is to properly assess and take action on issues prior to any formal submission to the Office of the Secretary of Defense (OSD) staffs. During leadership forums, program/budget issues will be reviewed to make decisions, provide more specific guidance, or consider viability of other innovative initiatives. Specific leadership forums include integration meetings, conducted

periodically by ASN (FM&C), to ensure that the DON program and budget reflect an integrated DON perspective. Meetings will be held separately at the three- and four-star level in the Services with ASN (FM&C) and the applicable functional ASN.

f. Additional PPBE process descriptions are provided in enclosure (3).

7. Definitions. See enclosure (4).

8. Records Management

a. Records created as a result of this instruction, regardless of format or media, must be maintained and disposed of in accordance with the records disposition schedules found on the Directives and Records Management Division (DRMD) portal page: https://portal.secnav.navy.mil/orgs/DUSNM/DONAA/DRM/SitePages/Home.aspx.

b. For questions concerning the management of records related to this instruction or the records disposition schedules, please contact your local Records Manager or the DRMD program office.

9. Information Management Control. The reporting requirements contained in enclosure (3), paragraph 4 and enclosure (4), Part II, Definitions, paragraph 2 are exempt from information collection control in accordance with reference (c), Part IV, paragraphs 7j and 7q.



CARLOS DEL TORO

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RESPONSIBILITIES

1. ASN (FM&C). The ASN (FM&C) shall:

a. Coordinate all aspects of financial management and the PPBE process for the SECNAV.

b. Prepare and publish DON fiscal, programming, and budget guidance and schedules for the Navy, Marine Corps, and Secretariat.

c. Provide oversight of the programming process, with the Navy and Marine Corps performing the detailed programmatic functions, ensuring alignment with SECNAV priorities.

d. Review and approve the Navy and Marine Corps programs and appeals to Director, Cost Assessment and Program Evaluation (D,CAPE) decision documents prior to submission.

e. Conduct and coordinate the budget review by evaluating the Budget Submitting Offices' (BSOs') budget submissions for financial appropriateness while maintaining the Administration's fiscal controls.

f. Lead the financial execution for the DON. In coordination with the applicable functional ASN, conduct program execution and performance reviews.

g. Prepare and publish budget decision documents.

h. Prepare and approve the DON responses and appeals to budget decision documents and Office of Management and Budget pass-back for submission to the Office of the Under Secretary of Defense (Comptroller) (OUSD (C)).

i. Prepare and approve the DON budget and all reprogramming actions for submission to OUSD (C).

j. Present and justify the DON budget to the Congress.

k. Advise the SECNAV and UNSECNAV on business systems investments.

l. Serve as the lead when coordinating integrated briefs being presented to the SECNAV and the Secretary's Senior Review Group.

2. Assistant Secretary of the Navy (Research, Development and Acquisition) (ASN (RD&A)). The ASN (RD&A) shall:

a. Advise the SECNAV and the UNSECNAV on all PPBE matters related to research, development, acquisition, and sustainment (including maintenance and logistics) of equipment and technology. This includes providing cost, schedule, and program baseline information for programs to confidently deliver intended performance.

b. As the Service Acquisition Executive, in accordance with reference (c), oversee and supervise research, development, acquisition, and sustainment programs to ensure programs (proposed and approved) are fiscally and technically executable to schedule within programmed and budgeted resources.

c. Lead program execution of DON research, development, acquisition, and sustainment programs.

d. Assist in the development of resource planning goals, programming objectives, and related guidance to best support research, development, acquisition, and sustainment program execution.

e. Perform a critical supporting role in identifying financial and program executability of those plans and programming developed by the Service Chiefs for acquisition and sustainment programs.

3. Assistant Secretary of the Navy (Manpower and Reserve Affairs) (ASN (M&RA)). The ASN (M&RA) shall:

a. Advise the SECNAV and UNSECNAV on all PPBE matters related to total force (active and reserve military, civilian, and contract support) including planning, requirements, readiness, workforce mix and balance, applicable personnel policies, DON education enterprise, and healthcare issues.

b. Lead program execution for the Civilian and Military Manpower and Reserve programs.

c. Perform a critical supporting role in identifying financial and program executability of those plans and programming developed by the Service Chiefs for Civilian and Military Manpower and Reserve programs.

4. Assistant Secretary of the Navy (Energy, Installations, and Environment) (ASN (EI&E)). The ASN (EI&E) shall:

a. Advise the SECNAV and UNSECNAV on all PPBE matters related to energy, installations, real property, infrastructure, resilience, environment, safety and occupational health, range readiness afloat and ashore, and environmental issues, including planning, requirements, and applicable policies.

b. Lead program execution for Base/Facilities/Energy programs.

c. Perform a critical supporting role in identifying financial and program executability of those plans and programming developed by the Service Chiefs for Base/Facilities/Energy programs.

5. DON CIO. The DON CIO shall:

a. Advise the SECNAV and UNSECNAV on all PPBE matters related to major cyber, Enterprise Information Technology (IT) and DBS initiatives, IT resource allocations, and related investment decisions, including recommending whether to continue, modify, or terminate specific IT investments.

b. Plan and program for the major cyber and Enterprise Information Management Environment investments in accordance with this instruction and reference (a).

c. Perform a critical supporting role in identifying financial and program executability of all IT and national security system investments developed by Service Chiefs.

6. Principal Cyber Advisor (PCA). During the programming phase, the PCA shall review elements of the Service programs relating to cyberspace operations forces, offensive or defensive cyberspace operations and capabilities, and items relating to cyberspace operations forces readiness, and shall submit to the Secretary an interim report providing comments on such elements

prior to finalization of the program. In conjunction with the budget review conducted by ASN (FM&C), Office of Budget (FMB), the PCA shall review detailed budget estimates provided by Service Chiefs for Service programs relating to cyberspace operations forces, offensive or defensive cyberspace operations and capabilities, and items relating to cyberspace operations forces readiness. The PCA shall submit a report to the Secretary providing comments on the proposed cyber operations budget and a certification of the adequacy of the budget no later than when the budget is presented to SECNAV for approval.

7. Service Chiefs. The Chief of Naval Operations (CNO) and Commandant of the Marine Corps (CMC) shall lead their Services' planning efforts and determine the warfighting requirements necessary to achieve national security objectives and plan and program for them in accordance with this instruction and reference (a). Service Chiefs will also provide prioritization recommendations to ASN (FM&C) and the cognizant ASN on execution and reprogramming decisions.

RELEASE OF PPBE DOCUMENTS

1. General. Documents and associated data sets produced during the PPBE process contain the details of defense strategy and proposed plans, programs, and budgets.

a. All PPBE documents are, at a minimum, controlled unclassified information. Access to materials by those not directly involved in the PPBE process undermines the confidentiality necessary for the SECDEF and SECNAV to obtain candid advice on the defense program. In addition, access to PPBE information by private firms seeking Department of Defense (DoD) or DON contracts may jeopardize the integrity of the procurement process. Therefore, to the extent permitted by law, PPBE documents and associated data shall not be disclosed outside the DoD and other Government agencies directly involved in the defense planning and resource allocation process. Section 22 of reference (e) outlines clearance requirements of the President's Budget. The nature and amounts of the President's decisions and the underlying materials are confidential. These decisions cannot be released outside of the DON until the budget is transmitted to Congress.

b. Contracts that require the contractor to have access to PPBE data in the performance of the contract will contain a nondisclosure clause, prohibiting the release of PPBE material, and requiring employees of the contractor to sign a nondisclosure agreement.

c. When permitted by law, requests for release of PPBE documents may be granted on a case-by-case basis to meet compelling needs, under the guidelines described in this enclosure.

2. Approval Authority. The SECNAV is the approval authority for disclosing DON PPBE documents and data outside the DoD and to other Government agencies directly involved in the defense planning and resource allocation process. This disclosure authority is restricted to PPBE documents and data generated by offices and organizations within the DON.

ADDITIONAL PPBE PROCESS DESCRIPTIONS

1. Overall Process. The DON PPBE process is complex, with numerous overlapping responsible organizations and phases. The diagram below illustrates the process timelines.

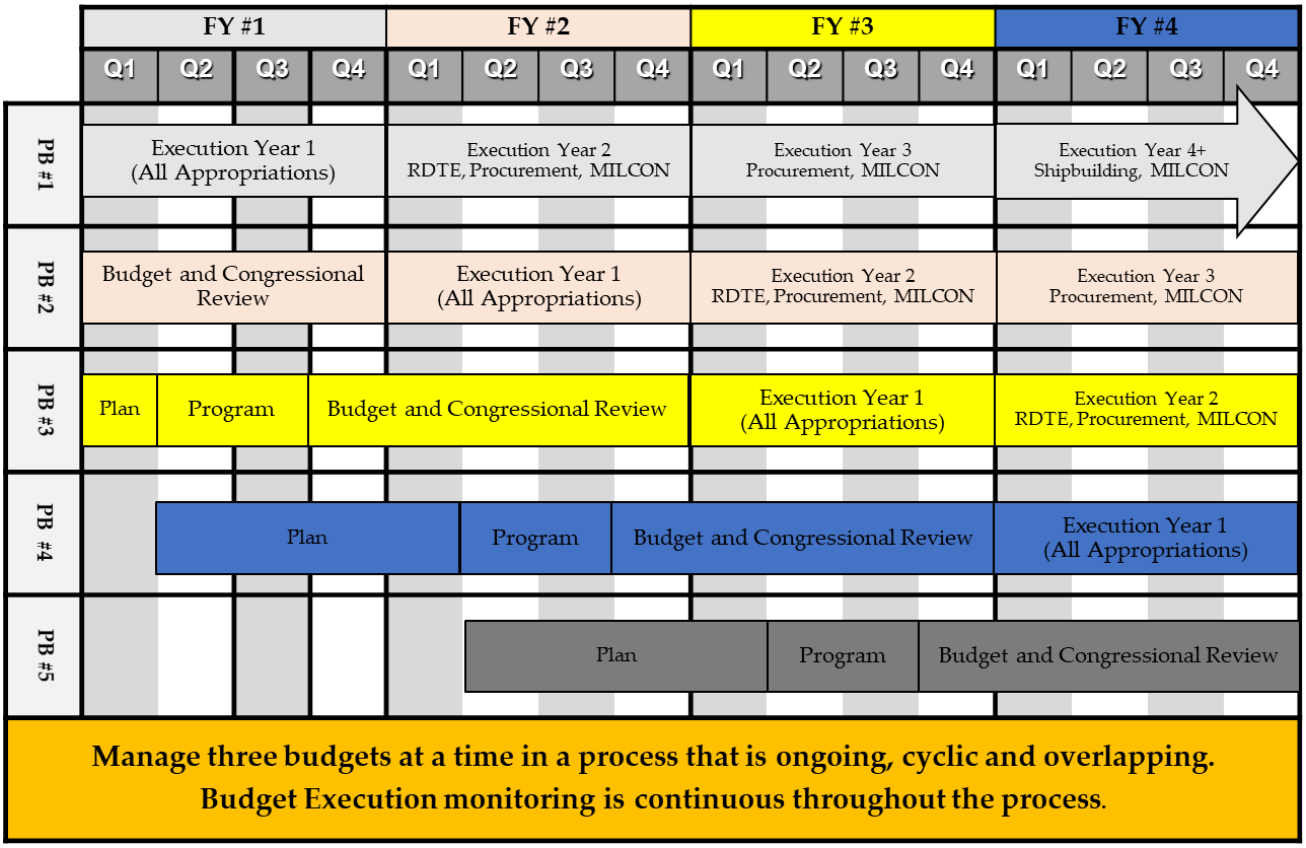

Figure 1. DON PPBE Process timeline

2. Planning

a. In the planning phase, the military's role and defense posture of the U.S. and the DoD in the world environment shall be examined, considering enduring national security objectives, and the need for efficient management of defense resources. The focus shall be on:

(1) Defining the NDS necessary to help maintain national security and support U.S. foreign policy.

(2) Planning the integrated and balanced military forces necessary to accomplish that strategy.

(3) Defining the policy framework needed to manage DoD resources, including:

(a) Priorities.

(b) Affordability.

(c) Balanced risk.

(d) Suitability.

(e) Feasibility.

(f) Effectiveness.

(g) Executability.

(4) Providing strategic decision options to the SECDEF to help in assessing the role of national defense in the formulation of national security policy and related decisions. Those decision options shall be:

(a) Informed by the relevant approved joint operating concepts.

(b) Based on systematic analysis of current and programmed forces in relation to the demands of the primary missions defined by the defense strategy.

b. The DoD statement of national defense objectives and policies and the priorities on military missions shall be conveyed in planning guidance.

c. Conducted under the direction of the CNO and the CMC and informed by the Secretary's Strategic Guidance, the planning process will evaluate the operational utility and cost-effectiveness of major decision options for naval forces.

d. Prior to the conclusion of the planning phase, the Service Chiefs will deliver an integrated Naval Planning brief to the Secretary and the Secretary's Senior Review Group.

3. Programming

a. The Navy and Marine Corps shall develop proposed programs consistent with the strategic guidance, planning guidance, programming guidance, and fiscal guidance. These programs shall reflect systematic analysis of missions and objectives to be achieved, alternative methods of accomplishing them, the effective allocation of resources, and executability in the timeframe required. ASN (FM&C) will lead development of the Secretariat's program through the Secretariat Review Board process. This programming phase is completed in time to support the timeline developed by the SECDEF for submitting the Component programs to the D,CAPE. During this phase, there will be two DON integration meetings led by ASN (FM&C) with support from other ASNs, Deputy Chief of Naval Operations for Integration of Capabilities and Resources (OPNAV N8), and Deputy Commandant of the Marine Corps Programs and Resources (DC,P&R) to brief SECNAV, CNO, CMC and the Secretary's Senior Review Group. The first meeting will occur at least 45 days prior to delivery of the program to D,CAPE and the second will occur prior to final submission of the Component programs. These briefings will highlight the Services' key investments, divestments and reforms and highlight alignment with the SECNAV's Strategic and Program Objectives Memorandum (POM) guidance. Prior to the first integration meeting, ASN (FM&C) will conduct a joint review of the Services' proposed programs focused on assessing alignment with SECNAV's strategic and POM guidance; each of the other ASNs and CIO, jointly with ASN (FM&C), will conduct reviews of the Services' program proposals for areas under their cognizance as described in enclosure (1).

b. Any changes to component programs resulting from ASN (FM&C)'s review of the Services' proposed program will be published in decision documents. Decision documents will be issued on timelines sufficient to allow incorporation of decisions into budget estimates.

c. Following formal submission of the DON's Program to OSD, the Services shall provide weekly updates to ASN (FM&C) regarding the conduct of OSD's Program Review, to include any significant issues that may impact programs of interest to the SECNAV.

d. Following receipt of Program Decision Memoranda from OSD or receipt of Office of Management and Budget (OMB) Passback impacting programmatics, ASN (FM&C), with support from other ASNs, OPNAV N8 and DC,P&R, will brief their analysis and recommend program adjustments to the SECNAV, CNO, CMC and Secretary's Senior Review Group.

4. Budgeting

a. The BSOs shall develop and submit detailed budget estimates for their programs in accordance with fiscal, programming, and budget guidance. For acquisition commands, the program managers within the Program Executive Offices (PEOs) and Direct Reporting Program Managers (DRPMs) submit the exhibits to the BSO Comptrollers for submission to FMB. For Secretariat activities, ASN (FM&C) shall develop budget exhibits, using inputs from ASNs and Principal Assistants to the SECNAV, for approval by ASN (FM&C).

b. FMB will conduct a budget review focused on feasibility and appropriateness upon completion of a program review. At the completion of the budget review, ASN (FM&C) will brief their analysis and any necessary budgetary adjustments to the SECNAV, CNO, CMC and Secretary's Senior Review Group.

c. Following receipt of Program Budget Decision documents from OSD or receipt of OMB Passback impacting budgeting, ASN (FM&C) will brief their analysis and recommend program adjustments to the SECNAV, CNO, CMC and Secretary's Senior Review Group.

5. Execution Review

a. The ASN (FM&C), as described in enclosure (2), will provide guidance to and oversee BSOs' conduct of annual reviews to determine how well programs and financing have met joint warfighting needs.

b. The BSOs shall assess:

(1) Compliance with priorities expressed in the planning and programming guidance. BSOs shall support PEOs and DRPMs in assessments of acquisition and sustainment program positions.

(2) Compliance with SECNAV decisions and guidance.

(3) Program results, as measured by established performance metrics, including system performance as well as financial-audit-related measures. Components shall incorporate results from these performance metrics in their subsequent program and budget submissions.

(4) Other results critical to support successful program execution.

c. Following completion of mid-year review and prior to the submission of Omnibus Reprogramming inputs to OSD, ASN (FM&C), with support from other ASNs, OPNAV N8 and DC,P&R, will brief their analysis and recommended Omnibus Reprogramming request inputs to the SECNAV, CNO, CMC and Secretary's Senior Review Group.

GLOSSARY

PART I. ABBREVIATIONS AND ACRONYMS

1. ASN (EI&E). Assistant Secretary of the Navy (Energy, Installations, and Environment).

2. ASN (FM&C). Assistant Secretary of the Navy (Financial Management and Comptroller).

3. ASN (RD&A). Assistant Secretary of the Navy (Research, Development and Acquisition).

4. ASN (M&RA). Assistant Secretary of the Navy (Manpower and Reserve Affairs).

5. BSO. Budget Submitting Office.

6. CMC. Commandant of the Marine Corps.

7. CNO. Chief of Naval Operations.

8. DBS. Defense Business System.

9. D,CAPE. Director, Cost Assessment and Program Evaluation.

10. DoD. Department of Defense.

11. DON. Department of the Navy.

12. DRPM. Direct Reporting Program Manager.

13. FYDP. Future Years Defense Program.

14. IT. Information Technology.

15. NDS. National Defense Strategy.

16. PCA. Principal Cyber Advisor.

17. PEO. Program Executive Office.

18. POM. Program Objectives Memorandum.

19. PPBE. Planning, Programming, Budgeting, and Execution.

20. RDTE. Research, Development, Test, and Evaluation.

21. SECDEF. Secretary of Defense.

22. SECNAV. Secretary of the Navy.

23. SRB. Secretariat Review Board.

24. UNSECNAV. Under Secretary of the Navy

PART II. DEFINITIONS

1. These terms and their definitions are for the purpose of this directive.

2. FYDP. Program and financial plan for the DoD as approved by the SECDEF and conveyed to the Military Departments. The FYDP arrays cost data, manpower, and force structure over a five-year period (force structure for an additional three years), portraying this data by major force program for DoD internal review in support of the program and budget review submission. It is also provided to the Congress annually in conjunction with the President's budget.

3. NDS. The NDS is produced every four years to support the President's national security strategy. The NDS establishes:

a. The priority missions of the DoD, and the assumed force planning scenarios and constructs. The assumed strategic environment.

b. A strategic framework prescribed by the SECDEF that guides how the DoD will prioritize among the threats and the missions, allocate and mitigate the resulting risks, and make resource investments.

c. The roles and missions of the Military Services to carry out missions, and the assumed roles and capabilities provided by other U.S. Government agencies and by allies and international partners.

d. The force size and shape, force posture, defense capabilities, force readiness, infrastructure, organization, personnel, technological innovation, and other elements of the defense program necessary to support such strategy.

e. The major investments in defense capabilities, force structure, force readiness, force posture, and technological innovation that the DON will make over the following five-year period in accordance with the strategic framework.

4. POM. The final product of the programming process within the DON, the DON's POM displays the resource allocation decisions of the Navy and Marine Corps in response to and in accordance with planning and programming guidance.

5. Secretary's Senior Review Group. The Secretary's Senior Review Group consists of the Chief of Naval Operations, the Commandant of the Marine Corps, Under Secretary of the Navy, the Assistant Secretaries of the Navy, the General Counsel and the Chief Information Officer. Participation may be tailored to support review of specific areas and will include other representatives, as directed by the Secretary.

6. Secretariat Review Board (SRB). The SRB conducts the Secretariat's POM budget process under the management of ASN (FM&C), chaired by the UNSECNAV with ASNs and Principal Assistants to the Secretary as members.