



Overview of the Planning, Programming, Budgeting and Evaluation (PPBE) Process at NNSA

Also used for NUC102: Nuclear Lifecycle Seminar as part of the Nuclear Weapons Acquisition Professional (NWAP) Certification program

Instructor: Rich Caballero
2 August 2022



Agenda:

- Budget-related Acronyms, Terms and Definitions
- PPBE History, Definition, Drivers and Context
- PPBE Roles and Responsibilities
- PPBE Process
 - Planning
 - Programming
 - Budgeting (Formulation and Execution)
 - Evaluation
- Review of FPM Responsibilities
- Congressional Appropriations & Budget Process (if time allows)
- Questions/Comments

About the Instructor:

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 - NA-12 Senior Budget Analyst
- Years of experience:
 - 30 years experience working in the National Defense & Security arena
 - 25 years as a contractor to DOE/NNSA (LANL 1996-2013 & Leidos 2013-present)
- Education:
 - B.S. Accounting from Montclair State University
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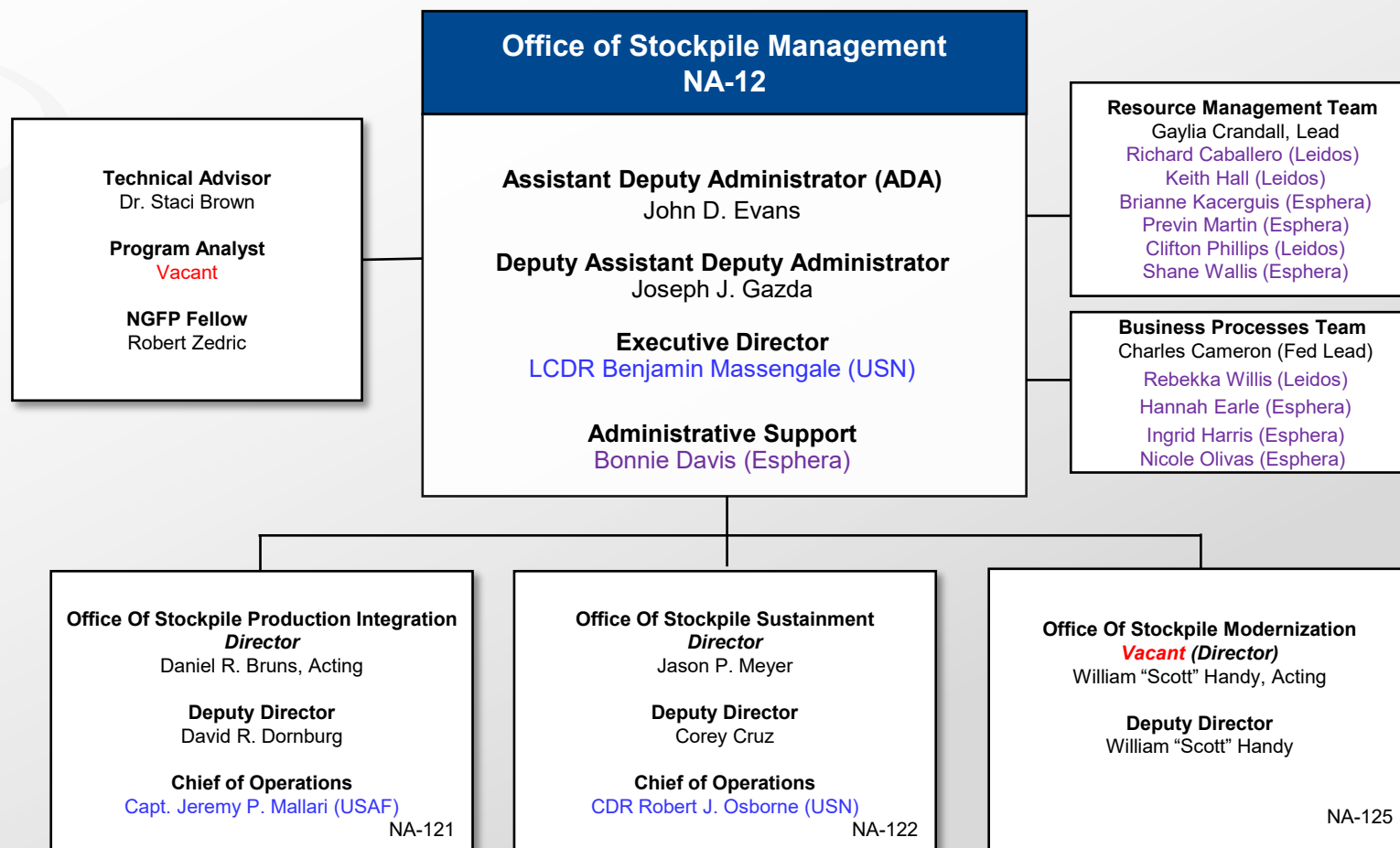


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Office of Stockpile Management (NA-12)



Module Overview

PLANNING, PROGRAMMING, BUDGETING, AND EVALUATION

This module provides information about the NNSA PPBE process and milestones and prompts the subsequent modules related to Systems Engineering Program and Technical Management. This module will include discussions about the following: PPBE roles and responsibilities, PPBE as a continuous cycle, the distinction between DOE PPBE and DoD PPBE, how the PPBE process fits within congressional processes, and NNSA PPBE Policy NAP130.1A (Note update NAP 130.1B is in final review, no major changes anticipated.)

R007B which is in DPBPS (Defense Programs Business Process System is the requirements and process management system by which the National Nuclear Security Administration realizes the United States' nuclear weapon products and manages related programs), defines the PPBE process within DP.

Learning Objectives

Participants will be able to:

- Explain the roles and relationships of the building blocks of the PPBE process
- Identify purpose and content of key PPBE events and documents, who influences them, and their relative timing in the overall process
- Explain the basic elements of DOE/NNSA budget execution and funds distribution
- Understand the relationship between budget timetables and the funding requirements for a representative DOE acquisition program
- Outline the congressional action process and explain its influence on PPBE

Acronyms

- AFP – Approved Funding Program
- ADS – Activity Data Sheet
- APDM – Administrator’s Preliminary Decision Memo
- BBA - Bipartisan Budget Act of FY 2013/2015/2018 (Updated Budget Control Act of 2010)
- BOP – Business Operating Policy
- CEPE – Office of Cost Estimating and Program Evaluation
- CFO – Chief Financial Officer
- CR – Continuing Resolution
- DOE – Department of Energy
- FY – Fiscal Year
- FMFIA – Federal Managers Financial Integrity Act
- FPM – Federal Program Manager
- FYNSP – Future Years Nuclear Security Program
- GOCO – Government owned, Contractor operated (Facilities)
- GPRA – Government Performance and Results (Modernization Act 2010)
- HQ – Headquarters
- IC’s – Integrated Contractors

Acronyms

- IP – Implementation Plans (sometimes “PIP” or Program Implementation Plan)
- IPL – Integrated Priority Lists
- M&O – Management and Operating (Contractors)
- MRT – Milestone Reporting Tool
- MYPP – Multi-year Program Plan
- NA-MB – NNSA Office of Management and Budget
- NDAA – National Defense Authorization Act
- NNSA – National Nuclear Security Administration
- NWBS – National Work Breakdown Structure
- NWC – Nuclear Weapons Council
- OCL – Obligational Control Level
- OMB – Office of Management and Budget
- PPFPG – Planning, Programming and Fiscal Guidance
- PPBE – Planning, Programming, Budgeting and Evaluation
- ROTs – Requirements over Target (aka UFRs Unfunded Requirements)
- STS / LTS – Short-term Sustainable / Long-Term Sustainable (Requirements)
- TAC – Total Available to Cost or New BA plus prior year Uncosted Obligations
- WA – Work Authorizations

Budget Terms & Definitions

Appropriations – Funding the Congress provides.

Apportionments – OMB provides authority to an Agency to obligate an appropriation.

Approved Funding Program (AFP) – The document/process which provides a detailed breakdown of funds by obligation control level or lower and includes reporting entity and appropriation year. In the IDW report, this equals the appropriation plus any reallocated prior year unobligated balances including any reallocated prior year deobligations. This amount ties the Department's Base Table controls. AFP also refers to a document issued to DOE field elements setting funds available for obligation and expenditure in each appropriation account. The AFP specifies the obligation control levels applicable to each program, subprogram, and activity.

Allotments – The amount CFO makes available for obligation at any given point in time.

Allottees – DOE organizations located throughout country that distribute funds to recipients.

Allocations – The amounts that an Allottee makes available for obligation at any given point in time.

Budget Authority – Provided by federal law to enter into financial obligations that result in future outlays. Basic form of BA is an appropriation. (No-Year Authority: To remain available until expended.)

Commitment - Outstanding Contractor Encumbrances by the M&O contractors plus the full amount of uncOSTED obligations for direct contracts awarded to non-M&O contractors.

Contracting Officers – Legally permitted federal employees who can obligate funding on contracts.

Costed/COSTS - An outlay or disbursement that liquidates government obligations. Expenditure; actual spending of money (an "outlay"). Actual payments (cash or otherwise) made against year-to-date obligations incurred as recorded in the Department's accounting system by DOE contractors.

Budget Terms & Definitions

(cont'd):

Encumbrances - Consist of uncosted balances of (1) purchase orders issued; (2) contracts and subcontracts awarded including the full liability under lease purchase and capital leases; (3) termination cost for incrementally funded firm fixed price contracts, operating lease agreements, and multi-year service contracts that contain termination clauses; and (4) other agreements for the acquisition of goods and services not yet received and uncosted balances related to other integrated M&O contractor liabilities. Encumbrances include uncosted balances of work orders or authorizations issued to integrated M&O construction contractors provided such work is specific in scope and has clear milestones or tangible deliverables.

Obligation Authority - This is the total amount of budget 'enacted' for a given fiscal year and could include unobligated balances of amounts not expired brought forward from prior years. (i.e., includes new budget authority received in the current year's appropriation plus any unobligated funds from the previous fiscal year). Note: Not all obligation authority that becomes available in a fiscal year is obligated and put out in the same year.

Obligation – Amounts of orders placed, contracts awarded, services received, and similar transactions during a given period that will requires payments during the same or a future period; contracts awarded/modified by DOE. A definite commitment in the accounting system that creates a legal liability of the government for the payment of goods and services ordered.

❖ Obligations are the funds that have been placed on the contract. Costs are what is spent and billed to us.

Office of Management and Budget (OMB) – White House agency that uses apportionments to provide obligation authority to all Federal agencies with discretionary funding.

Budget Terms & Definitions

(cont'd):

Reprogramming- Utilization of funds for purposes other than those for which the funds were appropriated. Authority and guidance for reprogramming is provided through the Congressional report language; it is not statutory authority. Most reprogramming actions require a written request, cleared through the OMB, to the cognizant Congressional committees. NNSA may not proceed to implement the reprogramming until all four committees have approved the action. There is no time limit for congressional action. NNSA has limited internal authority within the Weapons Activities appropriation to reprogram under certain conditions specified in the appropriations report and to notify Congress within 15 days.

Spending Authority - This is the sum of obligation authority and beginning uncosted. It represents the maximum amount of funding available to the program to cost. Also referred to as “TAC” or Total Available to Cost.

Uncosted Obligations - obligated amounts for which payments have not yet been made; goods and services on order; calculated from DOE accounting data.

Note: Accounting system formula (obligations – disbursements/outlays/expenditures).

Unobligated Balance - This is the amount of funds not yet obligated from the obligation authority. For no-year accounts, the unobligated balance is carried forward indefinitely until specifically rescinded by law.

PPBE History, Definition, Drivers & Context

History of PPBE:

- Post-Civil War 1865-1867 the House and Senate establish Appropriations Committees
 - Recognized the need to control the appropriations process and ensure better management of government spending
- Post WWI 1921 the origins of the Office of Management and Budget (Bureau of the Budget)
 - Established to consolidate spending bills into a President's Budget Request to be delivered to Congress the first Monday each February
- WWII the precursor of the DoD grappled with defense industrial capacity and managing and prioritizing resources and raw materials
 - Developed a Planning, Programming and Budgeting System (PPBS) and Controlled Materials Plan (CMP)
- Post WWII the government begins leveraging corporate best practices
 - Rand Corp performs weapons systems analyses for the Air Force; DuPont, Bell and Ford
 - Robert McNamara (one of the Ford Whiz Kids) brought systematic analyses to DoD; announced full implementation of PPBS with new emphasis on evaluation of execution; produced the first five-year budget estimate for DoD in 1963
- PPBE spreads to other government agencies

PPBE History, Definition, Drivers & Context (Cont.)

Definition:

- Planning, Programming, Budgeting, and Evaluation (PPBE) is a model of self-sustaining, core business processes that supports efficient and effective mission accomplishment through credible multi-year planning and budgeting with performance integration and sound financial management.

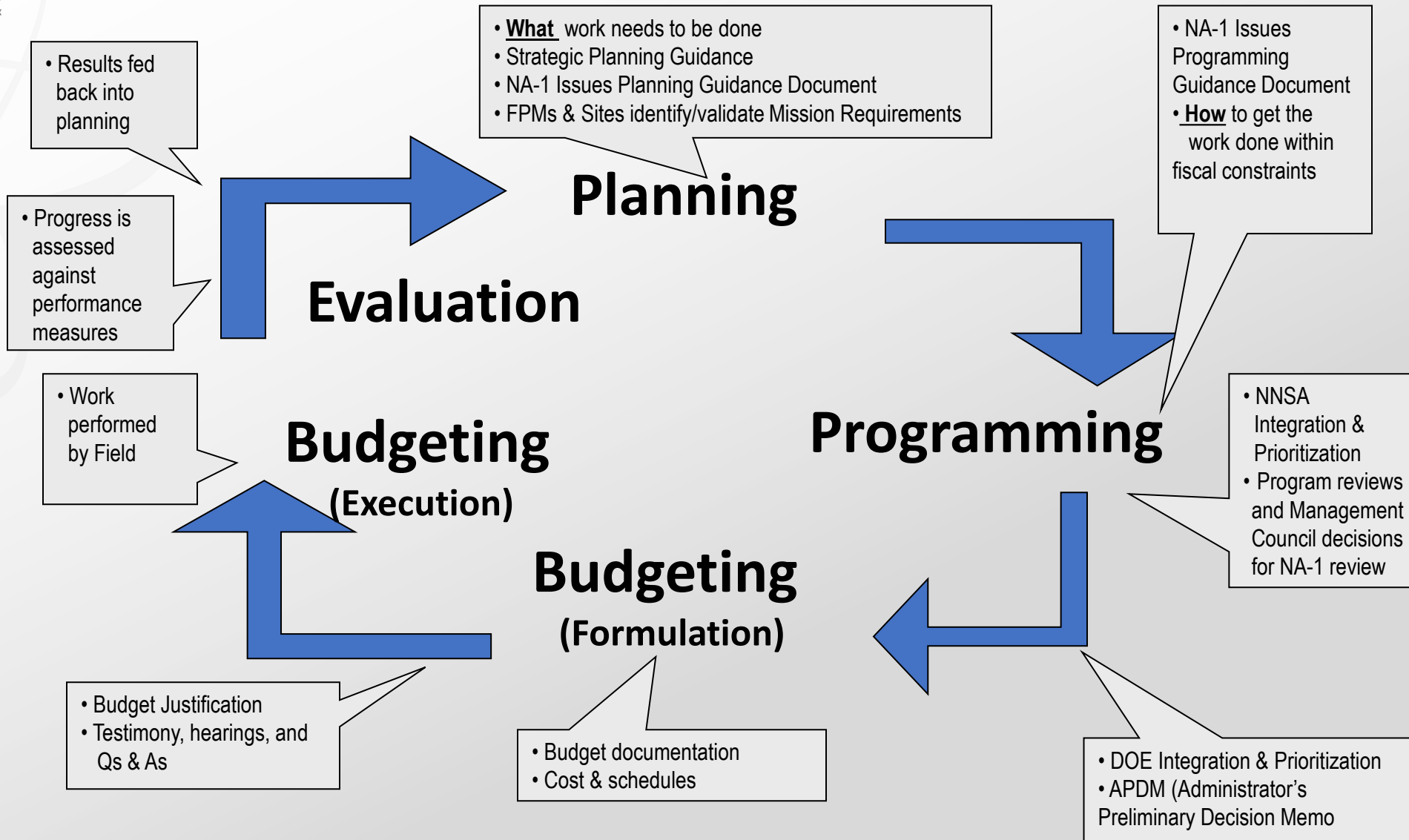
Drivers:

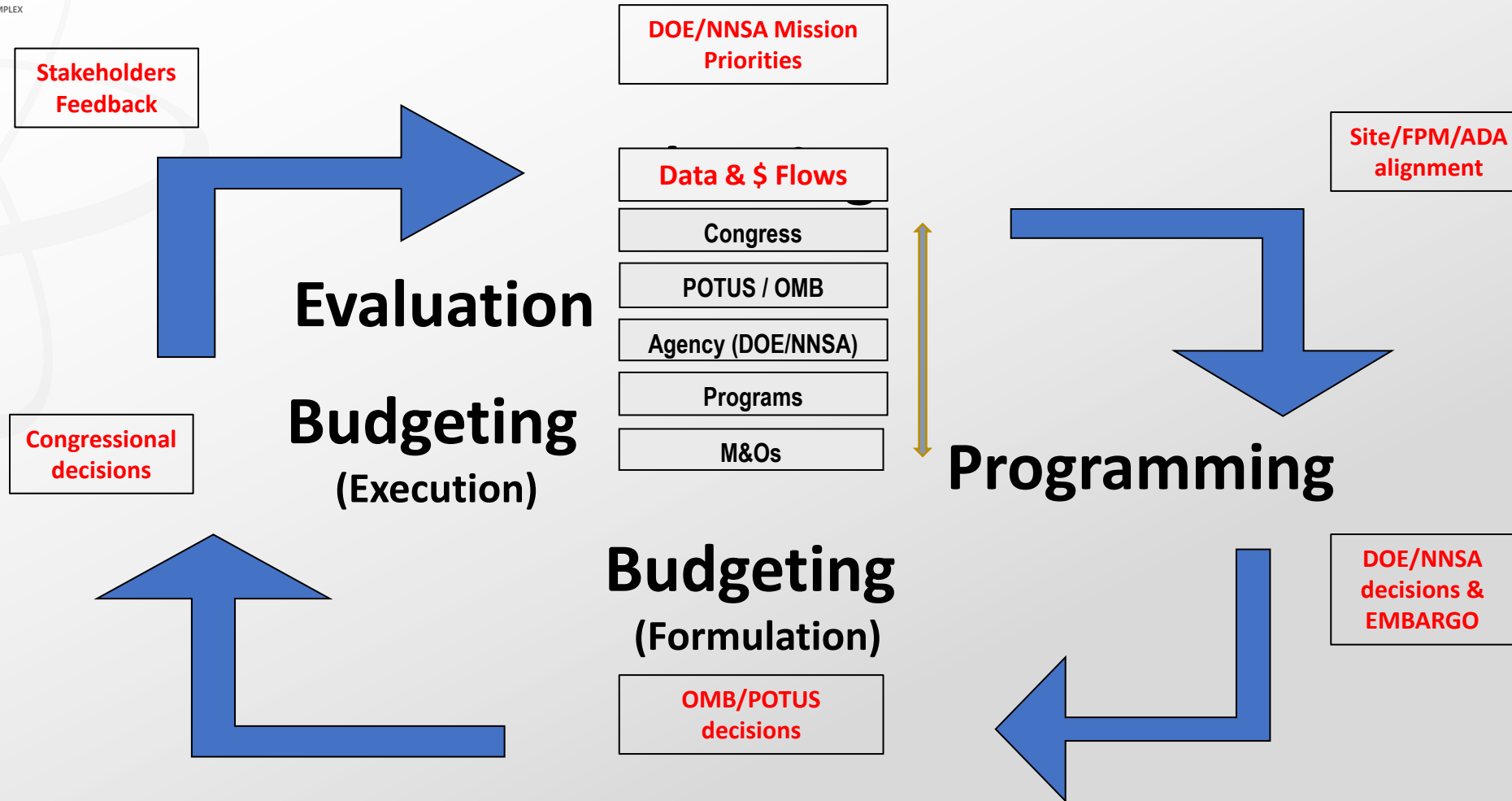
- Section 3252 and 3253 of the NNSA Act requires:
 - *“The Administrator shall establish procedures to ensure that the planning, programming, budgeting, and financial activities of the Administration comport with sound financial and fiscal management principles.....”.*
 - *“The Administrator shall submit to Congress each year...a future-years nuclear security program reflecting the estimated expenditures and proposed appropriations included in that budget.....(and) shall cover the fiscal year with respect to which the budget is submitted and at least the four succeeding fiscal years.” (FYNSP)*
- PPBE process is similar to PPBE processes in use across the United States Government
 - Four major phases for each budget cycle: Planning, Programming, Budgeting (includes formulation, execution, and validation), and Evaluation
 - At any point in time, multiple PPBE phases for different budget cycles will be in progress

PPBE History, Definition, Drivers & Context (Cont.)

Context (Requirements):

- NAP-130.1 Planning, Programming, Budgeting and Evaluation (PPBE) Process: Provides detail about seminal documentation and roles/responsibilities to perform the process across NNSA (*NAP 130.1 was issued December 2019; replaced NAP-33*)
- R007 Planning, Programming, Budgeting and Evaluation (PPBE) Process:
 - A requirements document in the Defense Programs Business Process System which describes how NA-10 implements NAP-130.1
 - R007 Provides detail about seminal documentation and roles/responsibilities to perform the process within NA-10
- PPBE process is similar to PPBE processes in use across the United States Government
 - Four major phases for each budget cycle: Planning, Programming, Budgeting (includes formulation, execution, and validation), and Evaluation
 - At any point in time, multiple PPBE phases for different budget cycles will be in progress





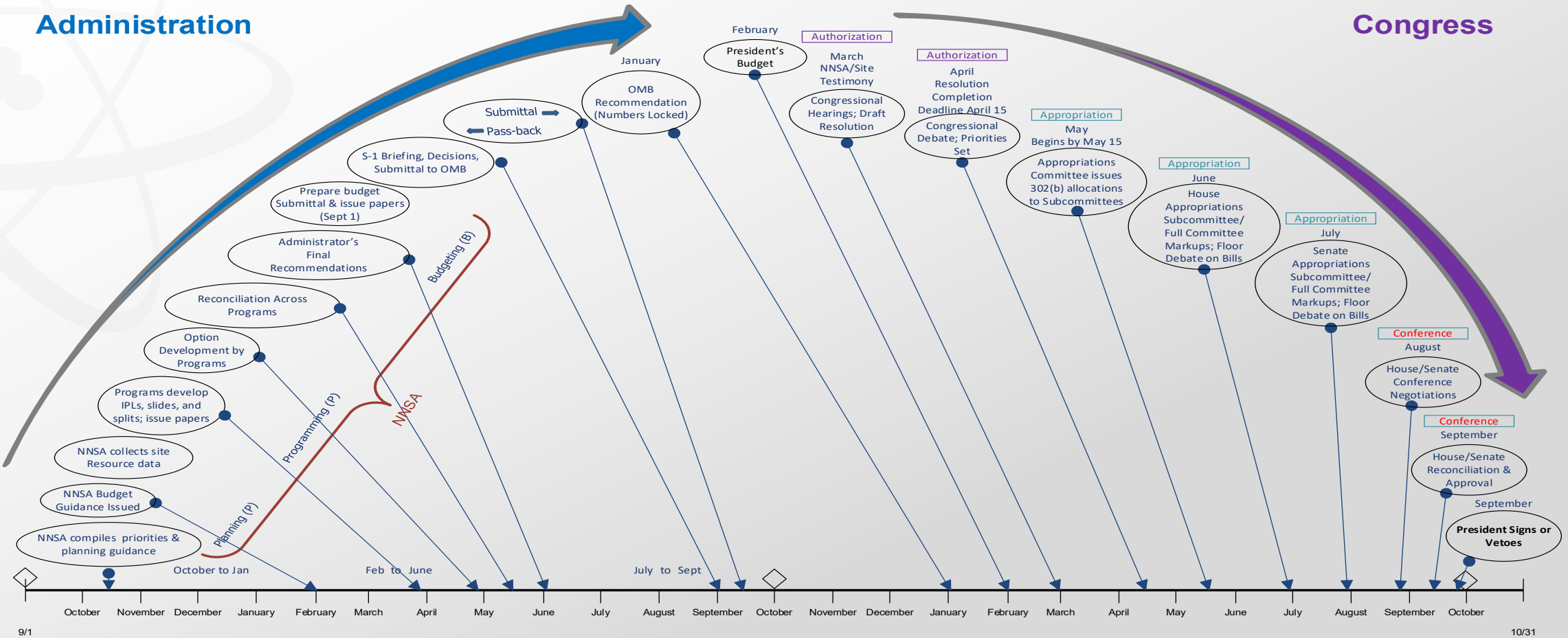
PPBE is Cyclical, Continuous and Concurrent

- Cyclical:
 - Annually prepare a five-year budget request, but sometimes submit only the first year to Congress
 - It takes two years to complete the cycle of planning, programming, budget formulation to the date we begin budget execution for a given fiscal year
- Continuous:
 - PPBE loops back on itself, it never stops
 - The phases of PPBE are repeated every year
- Concurrent:
 - We are in multiple phases of PPBE at any one time for different Fiscal Years (FYs)
 - The Year of Execution
 - Year of Execution plus 1 (aka FY + 1)
 - Year of Execution plus 2 (aka FY + 2)

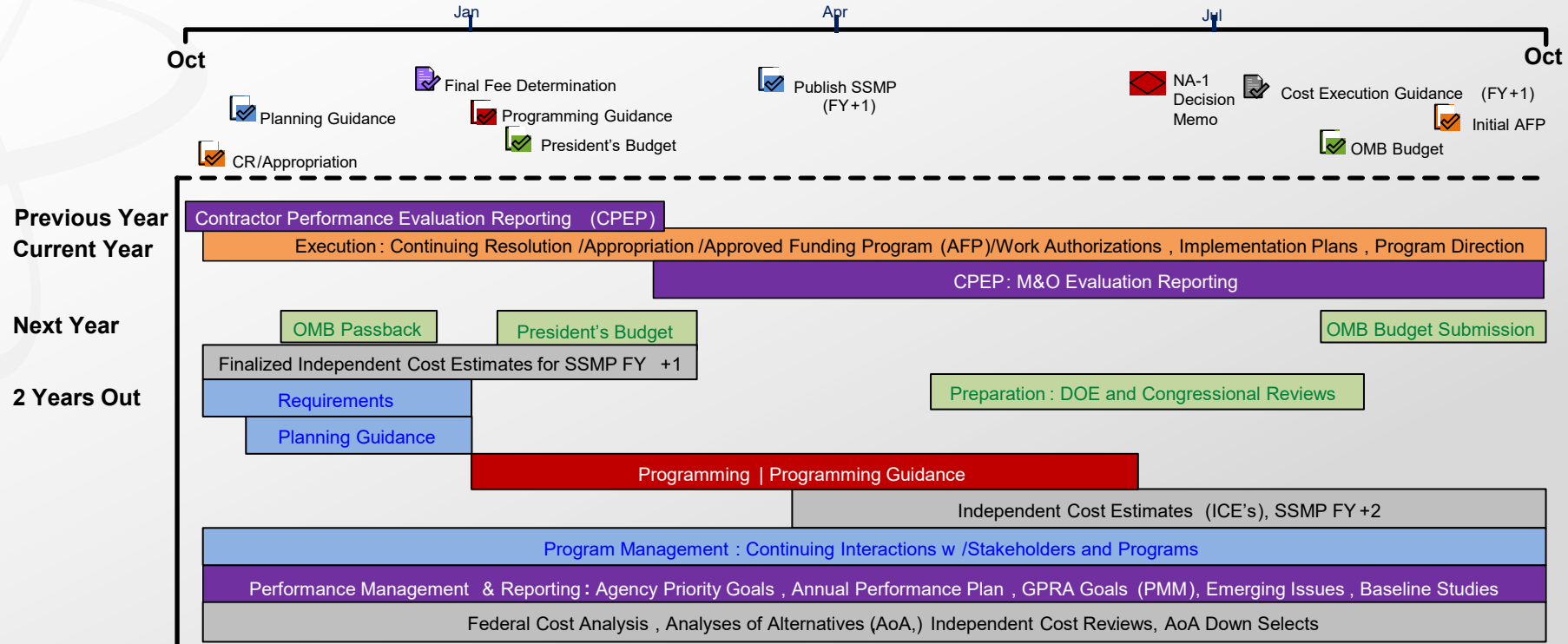
Context (Federal Budget Cycle):

Administration

Congress



Context (Planning Horizon):



Legend:



Multiple phases of different budget cycles are occurring at any point in time

Created by NA-143

PPBE Roles and Responsibilities

(The Players):

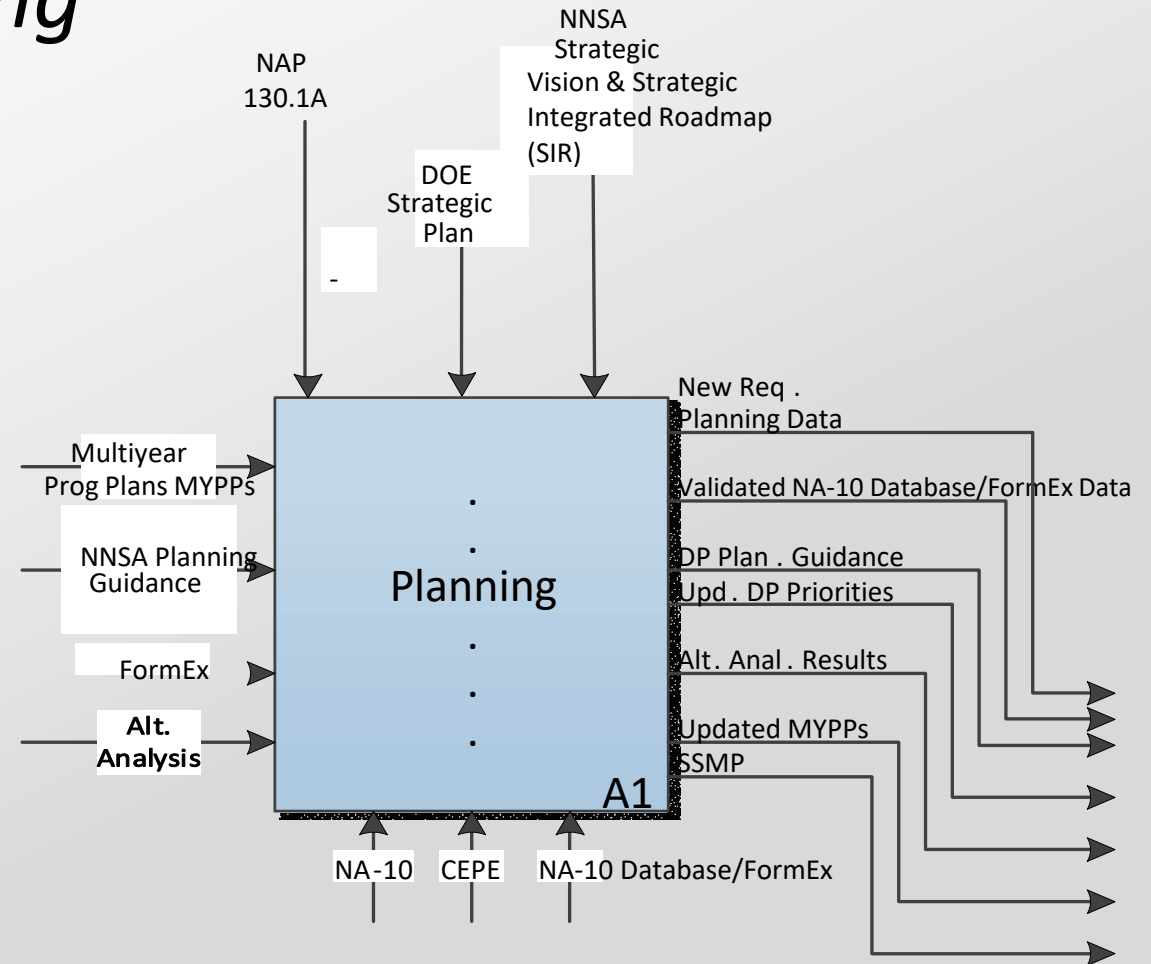
- NA-1.1 Office of Strategic Planning & Policy leads the enterprise level planning phase and drafts the planning guidance on behalf of the NNSA Administrator
- Office of Management and Budget (NA-MB) leads the NNSA programming phase
 - Drafts Programming Guidance, collects deliverables, integrates PPBE for NA-1
- Office of Cost Estimating and Program Evaluation (CEPE) leads cost estimating, program evaluation, cost data collection, Technology Readiness Assessments (TRAs), and Analysis of Alternatives (AoAs) on behalf of NA-1
- NA-10 integrates at Weapons Activities level (NA-10, NA-50, NA-70, NA-IM)
- Programs provide input to NA-MB-80 Matrix team for the PPBE process; NA-MB aggregates, processes and integrates information to be forwarded to NA-1 and then DOE CFO
- M&O Contractors: **define requirements** in collaboration with FPMs

Requirements Defined:

- Funding for an activity to meet the P&PD, NNSA Warhead Activities Chart, Program Plans, Implementation Plans, DP Getting the Job Done List, and any other program requirements
 - Stockpile Stewardship and Management Plan (SSMP annual report to Congress)
 - Requirements Planning Document (RPD from NWC)
 - Program and Planning Directive (P&PD from NNSA programs high-level)
 - Program Control Documents (PCDs from programs at lower levels)
- Should assume a "medium" level of risk with a reasonable chance for a successfully executed program
- Scope defined above is within the "Program of Record" (POR)
- Aligns with current issued Strategic Guidance from DOE & NNSA
- Should be executable in the year for which the funding is requested
- **Top priorities of an FPM are to: DEFINE REQUIREMENTS and SECURE THE RESOURCES for the sites executing the scope**

PPBE Process - *Planning*

- Preparatory phase for programming and a continuous process
- Important element is to gather, update or generate
 - Program Information
 - Cost data
 - Alternatives/options for decision support during programming (AoAs – Analyses of Alternatives)
- The process considers the full range of work in current plans; fiscally unconstrained
- Specific NNSA corporate planning phase guided by NNSA Planning Guidance released by the Administrator through NA-1.1



Planning (FPM Responsibilities):

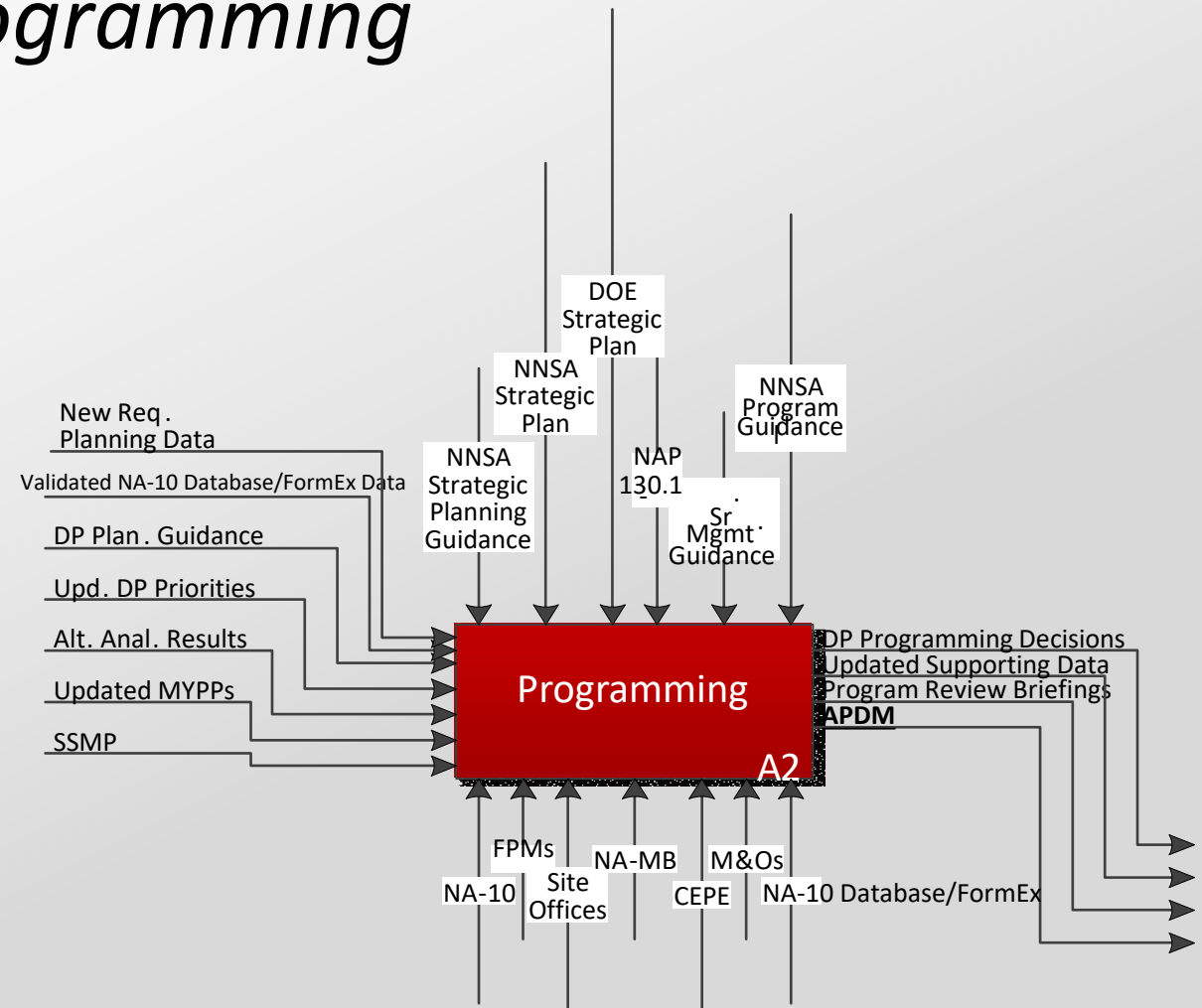
- Review the execution assumptions and, if necessary, generate or modify program funding requests consistent with guidance
- Review strategic documents: NNSA Strategic Vision, Strategic Integrated Roadmap (SIR), National Security Strategy (NSS), National Defense Strategy (NDS), Nuclear Posture Review (NPR) and ensure program activities support strategies
- For emerging programs, understand scope, uncertainties, and potential funding sources (DoD, UK or other stakeholders)
- Reach agreement with M&Os on requirements
- Ensure that successor PPBE tool (tentatively FormEx) entries are consistent with what is expected
- Identify funding needs for any large excursions
- Propose or review alternatives for executing the program; understand the options and impacts of implementing
- Analyze NNSA Planning Guidance and prepare for Programming phase

Planning Questions

- What does AoA stand for?
- What are 3 important elements to gather?
- What NAP is Planning under?

PPBE Process - *Programming*

- To make decisions to align available program resources with priorities
 - risk balanced,
 - integrated,
 - executable NNSA FYNSP**
- The output is to be proposed to the Office of Management and Budget as the basis for that year's FYNSP Congressional budget request required to execute the NA-10 mission.



PPBE Process – *Programming* (Cont.)

Major Programming Activities: Integration, Prioritization, Reviews, Decisions

- Sites & Programs: Requirements Prioritized and Unfunded Requirements identified
- NA-10/NA-MB: Development of the Integrated Priority List (IPL), funding constraints (internal/external) and Unfunded Requirements (UFRs, aka ROTs)
- ADAs/NA-10: Development of the DP Program Position
- NNSA & Sites: WA Integration Meeting – then EMBARGO
- CEPE: Program Reviews and Issue Teams (PRCs)
- NNSA: Management Council reviews
- NA-1: Administrator's Preliminary Decision Memo (APDM)
 - The APDM completes the Programming phase and initiates the Budgeting phase

PPBE Process – *Programming* (Cont.)

***Programming* (FPM Responsibilities):**

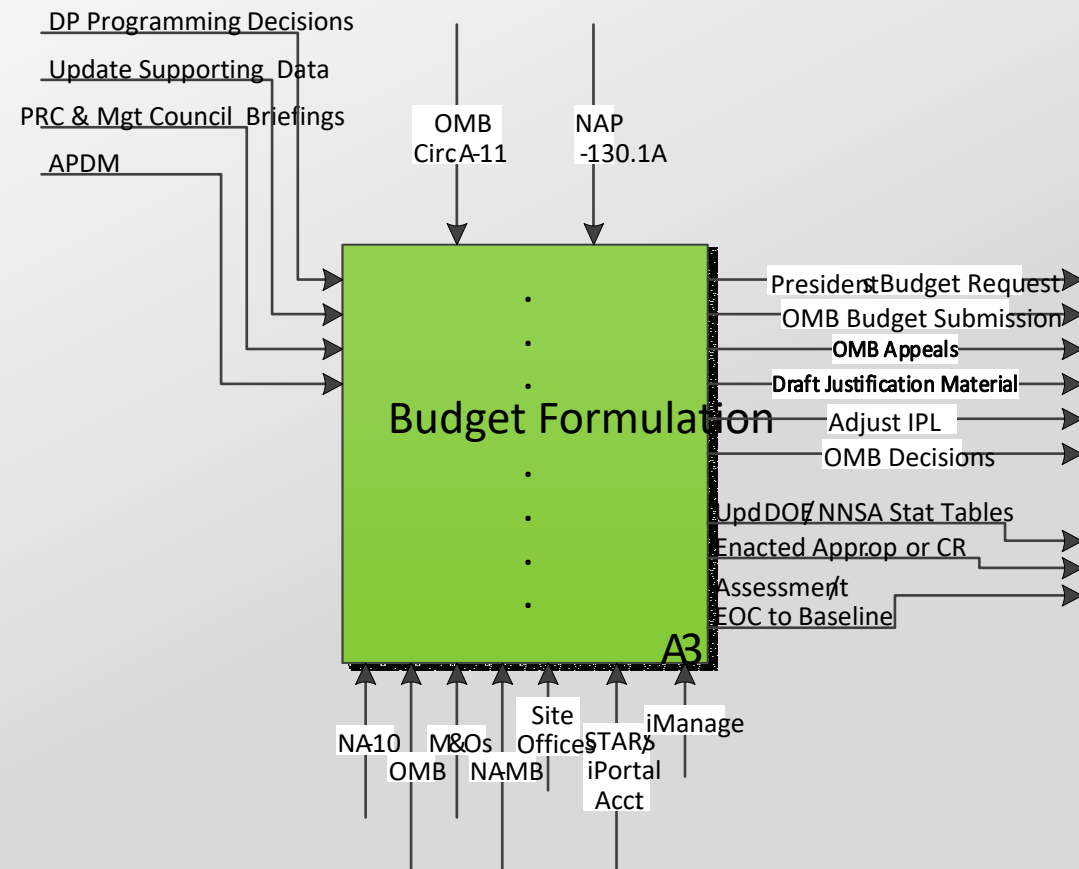
- Review internal guidance and assess for program impacts
 - Interact with Sites (M&O Contractors and Site Offices) to assess issues/impacts
 - Develop and propose mitigation actions/options as needed
- Review site cost data with M&Os
- Be prepared to modify inputs based on higher level Programming needs/guidance
- Respond to and provide appeals input if necessary
- Document Programming iterations annually to track program decisions and continuity

Programming Questions

- What is an output of programming?
- What does NNSA need to be prepared to respond to?
- What is a major goal of Programming?

PPBE Process – *Budgeting Formulation*

- The Budgeting process includes development of the OMB and President's Budget Request (PBR), budget execution, and the budget validation processes.
- OMB budget justification materials, for the FYNSP, are developed articulating work scope and schedules commensurate with the funding request.
 - NSA transmits its budget requirements to OMB.
 - Post review/briefings, OMB issues policy and resource decisions to guide the formulation of the PBR back to the DOE (Passback)
 - The Department can choose to appeal these decisions; Management Council/the Administrator/and the Secretary.



PPBE Process – *Budgeting Formulation* (Cont.)

Major Budgeting Activities: OMB Submission, Passback/Settlement, PBR Submission to Congress, Congressional Interactions

- Programs: Prepare budget justification materials; participate as needed in Passback; prepare OMB and Congressional briefing presentations
- NA-10: Review and Approve Budget Submissions and Passback decisions; brief Congressional committee staffers (HEWD, SEWD, HASC, SASC)*
- DOE CFO & NA-MB: Issues submission formats, reviews and approves submissions
- S-1/NA-1/NA-10: Congressional Testimony
- Congress: Committee Marks, Conference, pass Authorization and Appropriation legislation
- POTUS: Signs legislation into Public Law

³¹* House Energy & Water Development Subcommittee (HEWD), Senate Energy & Water Development Subcommittee (SEWD), House Armed Services Committee (HASC) Strategic Forces Subcommittee, Senate Armed Services Committee (SASC) Strategic Forces Subcommittee

PPBE Process – *Budgeting Formulation* (Cont.)

***Budgeting* (FPM Responsibilities):**

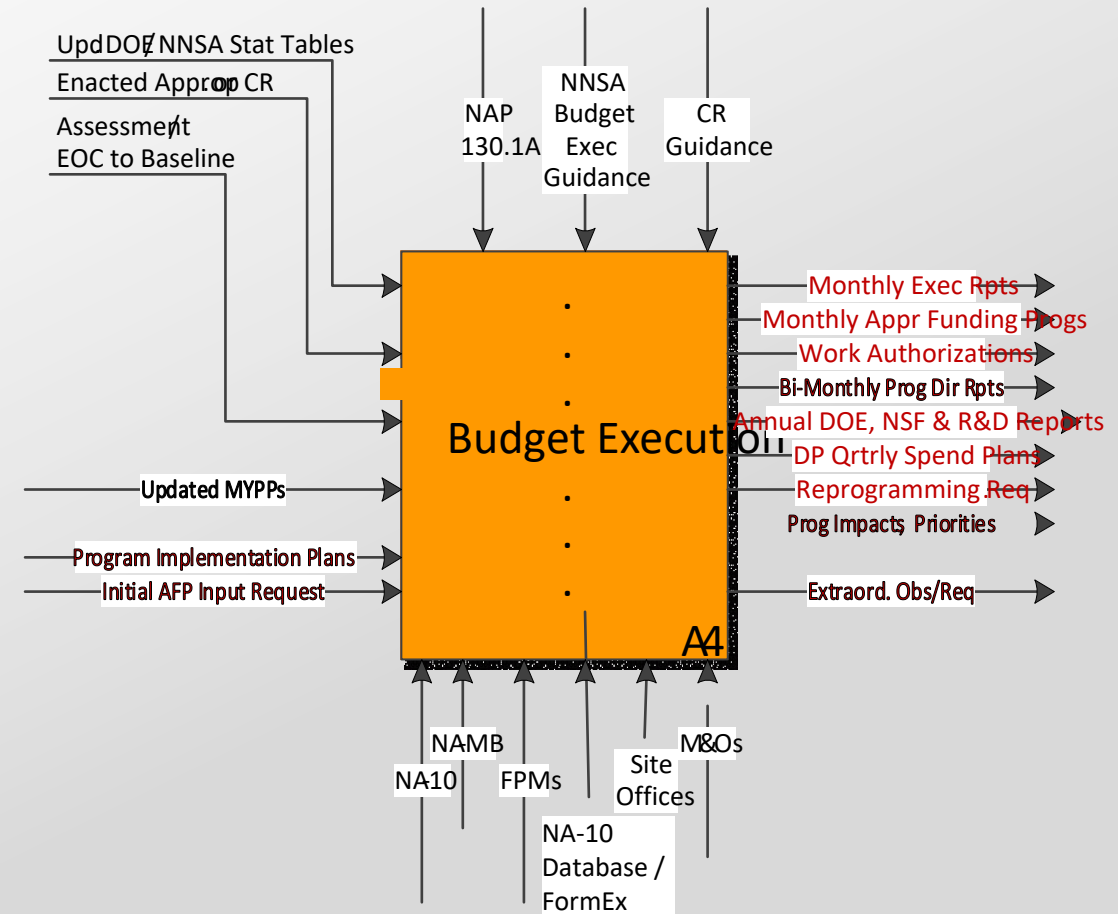
- Assist with budget justifications and address budget changes as needed
- As required, respond to program impacts driven by OMB changes during pass-back
- Respond to and provide appeals input if necessary
 - Appeals of Passback are Very Rare – decided at Cabinet-level interactions
- Support development of Congressional testimony
- Respond to Congressional Q/As and Questions for the Record (QFRs)

Budgeting Questions

- What government agency is part of Budgeting?
- What does that agency do?
- What staffers are briefed on the NNSA budget?
- Who gives Congressional testimony?

PPBE Process – *Budget Execution*

- Budget execution is the process in which appropriated resources are distributed and controlled to achieve their approved purpose.
 - The OMB apportionment process makes funds available to DOE for obligation and expenditure
 - DOE's Base Table is the controlling document for funds distribution**
 - The DOE funds distribution process makes funding available for obligation by Congressional control
- Part of the execution phase includes budget validation, and this is focused on determining consistency with NNSA planning and programing guidance, integration of planned activities and milestones with budget estimates, and reasonableness of budget estimates.



PPBE Process – *Execution*: Funds Distribution

- Congress Appropriates Funds at Congressional Control levels (B&R/Program)
- OMB issues Apportionments to Agencies
- DOE CFO issues Allotments to Allottees (Ex: Albuquerque Office)
- Allottees issues Allocations available for obligation to M&O contractors
 - Allocations are guided by FPM Site Split inputs (AFP) based on CFO Base Table
- NNSA Contracting Officers Obligate funds to the M&O contracts

PPBE Process – *Execution* (Cont.)

Major Execution Activities: Provide resources at the program/site level to the appropriate activities funded by Congress. This can be **under a Continuing Resolution (CR)** or an Appropriation bill passed by Congress and signed by POTUS

- OMB: Under a CR, issues apportionment equal to the percentage of the length of the CR per Congressional language, applied against the previously enacted Appropriation
- DOE CFO: creates a **Base Table** for the CR at the lowest of the 4 Congressional Marks, the amount in the current Budget request, or the prior year Enacted
 - Agency's conservative interpretation of the will of Congress (OMB language "...should operate at a minimal level until after...appropriation is enacted")
- Programs: submit **Implementation Plans**, determine initial site splits, send guidance through Work Authorizations to sites on how to operate during the CR; submit initial cost plans
- NNSA NA-MB: issues an "Initial Fiscal and Program Guidance for Operations" on or around October 1st each year giving broad programmatic priorities to be worked during the CR

PPBE Process – *Execution* (Cont.)

Major Execution Activities: Provide resources at the program/site level to the appropriate activities funded by Congress. This can be under a Continuing Resolution (CR) or an Appropriation bill passed by Congress and signed by POTUS

- DOE CFO: amends the Base Table according to the Congressional Appropriation tables and language
- Programs: analyze and understand Congressional intent; update site splits by program and Implementation Plans as necessary; send additional guidance to sites as necessary; submit monthly funding changes as required to execute efficiently; update cost plans as necessary
- DOE CFO & NA-MB: manages a monthly AFP process to distribute/update funds
- M&Os: execute approved scope per Implementation Plans and other scoping documents

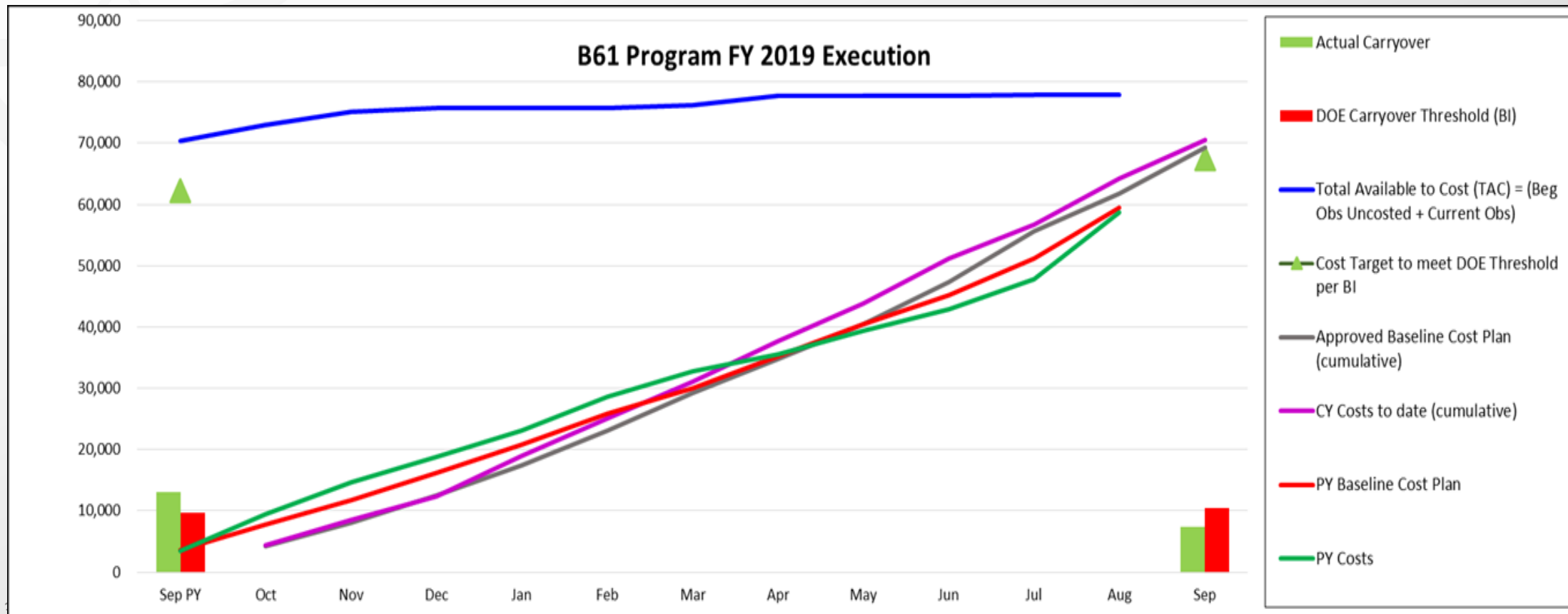
PPBE Process – *Execution* (Cont.)

***Execution* (FPM Responsibilities):**

- Support/perform analysis of program funding to enable equitable site splits and AFP generation
- Monitor progress of extraordinary obligation requests and outcomes that impact programs
- Work with site offices and site program managers to monitor spending; adjust site splits as necessary to execute the mission
- Stay connected with M&Os to monitor progress with the intent of recognizing issue areas that may require changes to the execution baseline

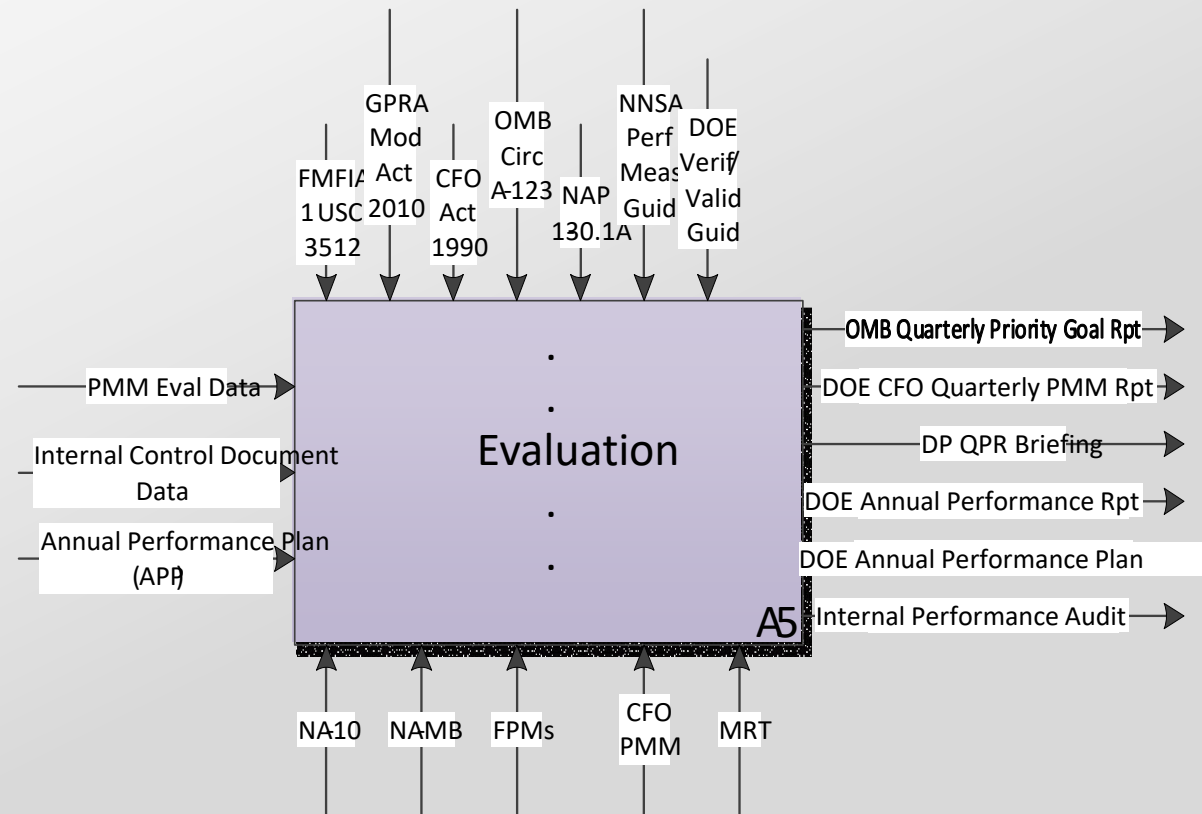
PPBE Process – *Execution* (Cont.)

Tracking Cost Plan Performance & Forecast Uncosted Carry Over (and Unencumbered) Year-End Balances



PPBE Process - *Evaluation*

- Evaluation is the process to assess progress made toward achieving identified performance measures at multiple levels within NNSA. Measures include:
 - low-level milestones for internal use
 - high level performance measures in accordance with the Government Performance and Results Modernization Act (GPRA) of 2010 and Executive Order 13450 Improving Government Program Performance.
- Evaluation process results feed back to:
 - Planning process for the next PPBE cycle
 - Input into the performance evaluation of our managers and contractors



PPBE Process – *Evaluation* (Cont.)

Evaluations (FPM Responsibilities):

- It is the FPM's responsibility to recognize/anticipate issues and respond in support of mission execution
- Maintain situational awareness through communication and reporting
 - Monthly enhanced Business Intelligence (BI) reporting
 - Procurement requests (PR) status reports
 - AFP changes and commitments
- Report/document programmatic status on a quarterly basis through quarterly financial reviews, program reviews, and self assessments
- Aggregate information and present program status in semi-annual program reviews

Evaluation Exercise

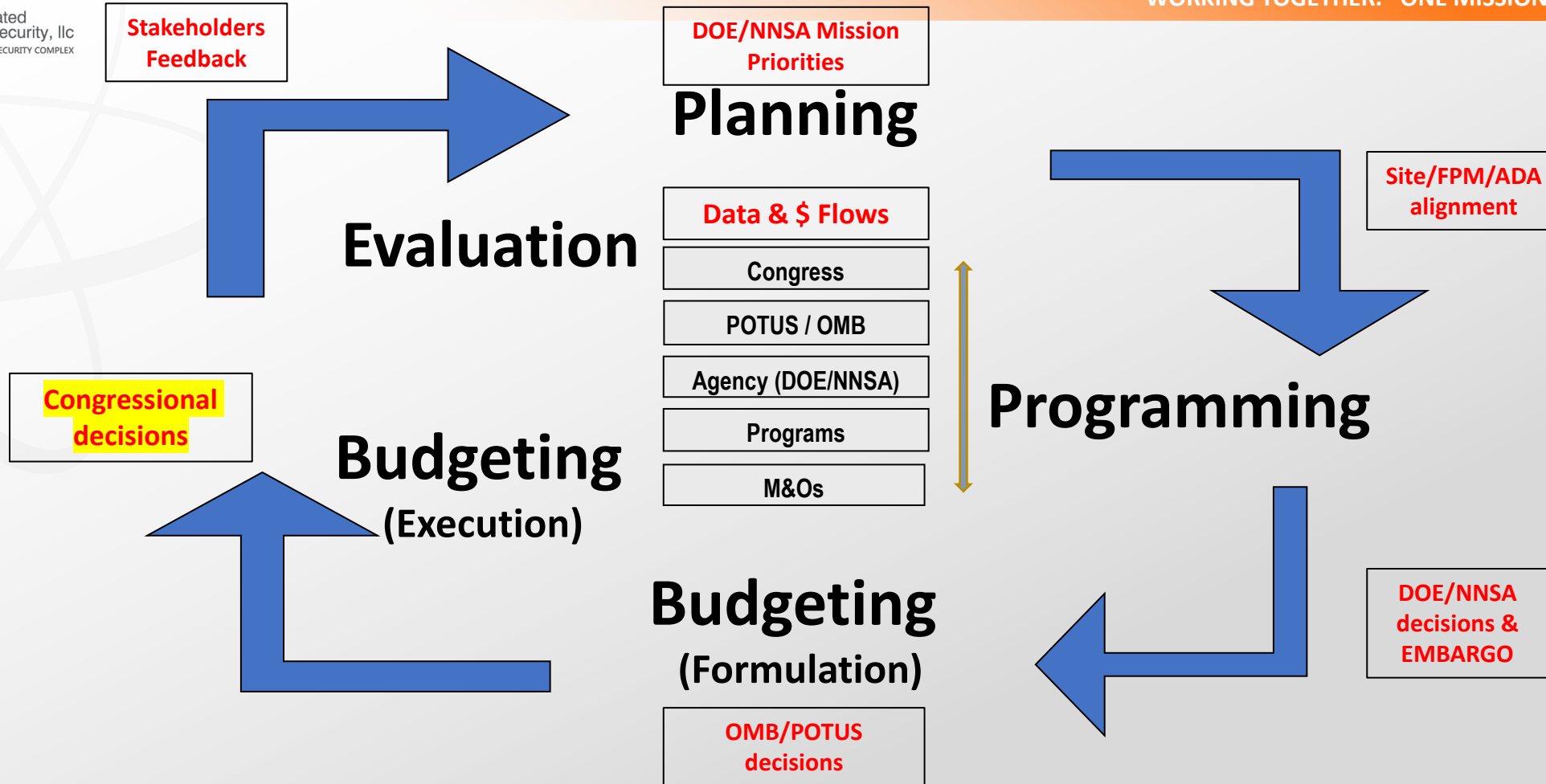
- What is an example of a measure?
- What is an output of Evaluation?
- How often do we report on evaluation activities?

Summary

- The PPBE is a complex and multifaceted process with many participants and interfaces
- It is imperative that the FPMs are an integral part of the process so that their mission is:
 - Properly represented
 - Adequately funded
 - Successfully and responsively executed
- Also, if there are requirements over target, the FPM must effectively manage the alternatives, program impacts and/or modified scope as appropriate

Congressional Appropriations & Budget Process





Major Guidelines

The United States Constitution

- Only Congress may appropriate money for federal government operations.
- Congress is required to pass separate spending bills each year to fund the operations of the government.

The 1974 Budget Control Act

- By February 1 (first Monday in February) the President must present a budget (PBR) to Congress for the upcoming fiscal year.
- By April 15 the House and Senate must approve the final version of the budget.
- June 10, target date to have House of Representatives Appropriation Committee complete its work on the House appropriation bills.

The Anti-Deficiency Act

- Illegal to spend in excess of the amount available in the appropriation unless authorized by law.
- Illegal to spend funds on a program before funds have been appropriated for that purpose.

The Budget Control Action of 2011 (Public Law 112-25)

- Set limits or caps on discretionary budget authority through FY 2021 (Sequestration)
- Limits were modified by BBA 2013/2015/2018/2019
- The BBA of 2019 increased the FY2020 and FY2021 discretionary spending limits for defense and nondefense spending, avoiding across the board reductions known as sequestration
- Congressional Budget Office (CBO) issues a report each August that estimates whether discretionary appropriations for that fiscal year have exceeded the limits, thus triggering sequestration

The Players

- DOE/NNSA - Formulates & submits DP's budget request to the Office of Management and Budget (OMB)
- OMB – Prepares & submits the President's Budget Request to Congressional Budget Committees/gives DOE/NNSA its legally authorized appropriations
- Congressional Budget Committees – First to review annual PBR; drafts the budget resolution which sets budget guidelines for budget authority (BA) and outlays
- Congressional Committees – Authorize Programs; not necessarily voted on/passed annually, there can be multi-year authorizations; upon expiration a reauthorization is often passed
- Congressional Appropriation Committees - Authorize Money; send 12 appropriations bills to POTUS for signature
 - Agriculture, Rural Development, Food and Drug Administration, and Related Agencies
 - Commerce, Justice, Science (NASA), and Related Agencies
 - Defense
 - Energy and Water Development (Army Corps of Engineers)
 - Financial Services and General Government
 - Homeland Security
 - Interior, Environment, and Related Agencies (Interior, EPA,
 - Labor, Health and Human Services, Education, and Related Agencies
 - Legislative Branch
 - Military Construction, Veterans Affairs, and Related Agencies
 - State, Foreign Operations, and Related Programs
 - Transportation, Housing and Urban Development, and Related Agencies



Types of Appropriations

- Annual Appropriation (most restrictive)
 - Available for obligation for 1 year
 - Funds expire for obligation at the end of the fiscal year
- Multi-year Appropriation (less restrictive)
 - Available for obligation for 2 or more years
 - Funds expire for obligation at the end of the last fiscal year
- No-year Appropriation (maximum flexibility)
 - No time limit on obligational availability

Further subdivided on a “functional” basis (a.k.a. Color of Money)

- Operations & Maintenance (O&M)
 - Operating Expenses (OE):
 - Normally for operational activities
 - Includes: Expenses such as labor, travel, and training
 - Capital Equipment (CE):
 - Normally for items that have an anticipated service life of 2 years or more and a cost of \$500,000 or more
 - Includes:
 - Capital equipment not related to a specific construction project
 - Installation and shipping
 - The Congressional budget submission normally will specifically identify only Major Items of Equipment (MIEs) that are estimated to cost more than \$5.0 million
- Construction
 - Construction (LI)
 - Line Item construction projects
 - Projects greater than \$20 million
 - General Plant Projects (GPP) <\$20M

Appropriations v. Authorizations

NNSA Appropriating Committees

- Senate Energy & Water Development Subcommittee (SEWD)
- House Energy & Water Development Subcommittee (HEWD)

NNSA Authorizing Committees

- Senate Armed Services Committee (SASC) Strategic Forces Subcommittee
- House Armed Services Committee (HASC) Strategic Forces Subcommittee

Key Committee Staff

as of January 2021

WORKING TOGETHER. ONE MISSION. ONE VISION. ONE NSE.

Appropriations:

- SEWD
 - Majority: Jen Becker
 - Minority: Nora Khalil
- HEWD
 - Majority: Jaime Shimek (interim)
 - Minority: Angie Giancarlo

Authorization:

- SASC
 - Majority: Jonathan Epstein
 - Minority: Adam Trull
- HASC
 - Majority: Grant Schneider
 - Minority: Whitney Verret

Budget Resolution

The Congressional Budget Act of 1974 directs that, following the submission of the president's budget proposal, the House and Senate **Budget Committees** (with assistance from the Congressional Budget Office, a nonpartisan body) create the **budget resolution**. A budget resolution serves as the general framework within which Congress will make its decisions about specific spending and taxing levels. Budget resolutions are **concurrent congressional resolutions** — they do not have the force of law and they do not require the president's signature. They do not directly provide funding to any organization or program, but establish the structure of the budget.

A budget resolution binds Congress, but is not a law. It does allow for certain points of order to be made if the President does not follow the resolution. There may not be a resolution every year; if none is established, the previous year's resolution stays in force.

Budget Resolution & Functions



Major Budget Functions			
Function Number	Category	Function Number	Category
050	National Defense	550	Health
150	International Affairs	570	Medicare
250	General Science, Space, and Technology	600	Income Security
270	Energy	650	Social Security
300	Natural Resources and Environment	700	Veterans Benefits and Services
350	Agriculture	750	Administration of Justice
370	Commerce and Housing Credit	800	General Government
400	Transportation	900	Net Interest
450	Community and Regional Development	920	Allowances
500	Education, Training, Employment, and Social Services	950	Undistributed Offsetting Receipts

The federal budget is divided into approximately 20 categories known as budget functions. These functions include all spending for a given topic, regardless of the federal agency that oversees the individual federal program. Both the President's budget, submitted annually, and Congress' budget resolution, passed annually, comprise these approximately 20 functions.

(Note: Number 970 was added in 2008 for "Overseas Deployments and Other Activities" as the 21st function)

Budget Resolution & Functions

Function 050: National Defense

The National Defense function includes the military activities of the Department of Defense (DoD), **the nuclear-weapons related activities of the Department of Energy (DoE) and the National Nuclear Security Administration**, the national security activities of several other agencies such as the Selective Service Agency, and portions of the activities of the Coast Guard and the Federal Bureau of Investigation. The programs in this function include: the pay and benefits of active, Guard, and reserve military personnel; DoD operations including training, maintenance of equipment, and facilities; health care for military personnel and dependents; procurement of weapons; research and development; construction of military facilities, including housing; research on nuclear weapons; and the cleanup of nuclear weapons production facilities.

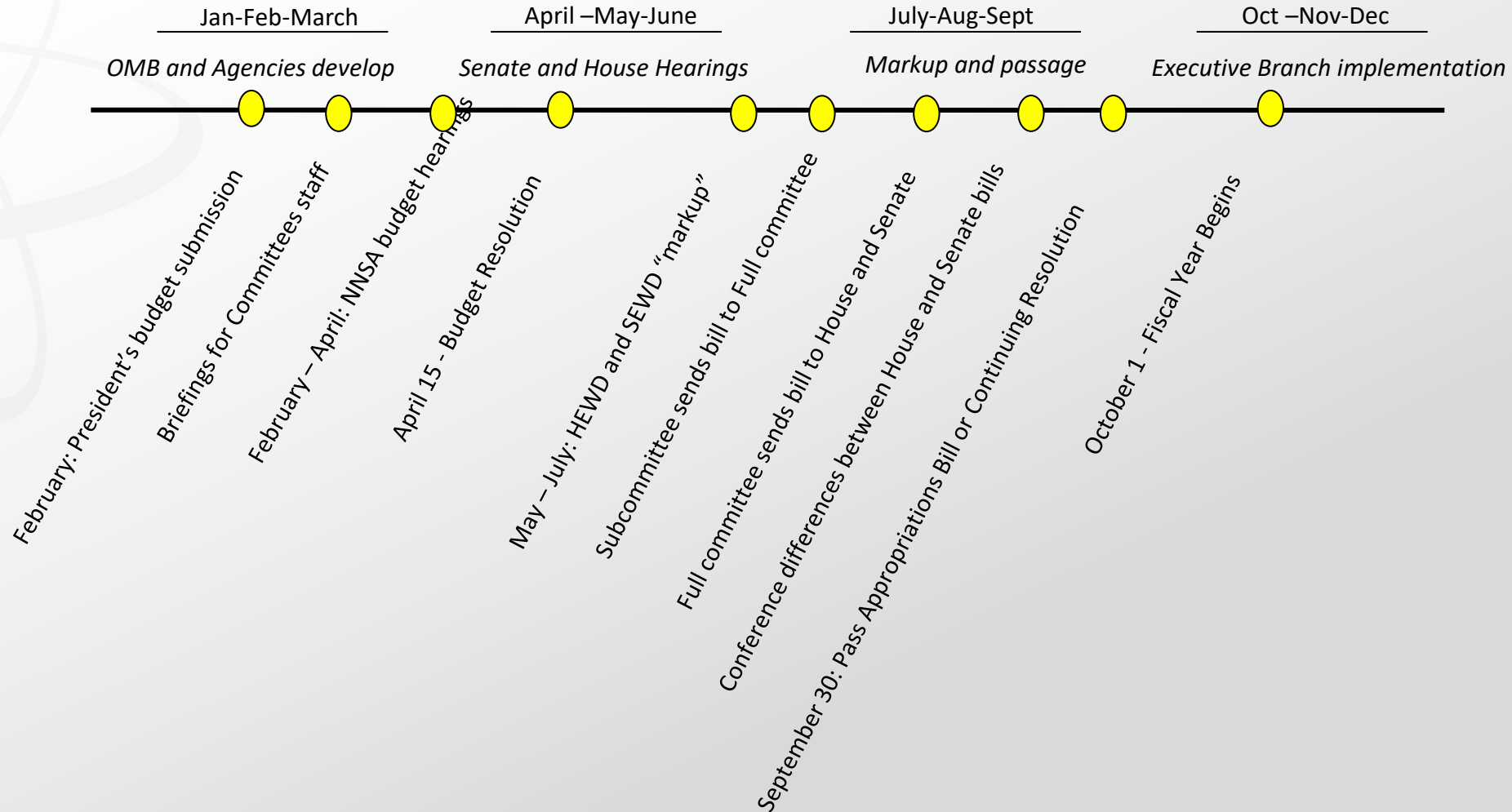
How Process Should Work

Appropriation Process

- Appropriations bills are created in House & Senate Appropriations Committees using budget resolution as guide.
- Appropriation committees send completed bills to full chamber for votes.
- Appropriation Bills start in the House of Representatives.
- June 10 - target date to have the House Appropriations Committee's work on its appropriations bills completed.
- After the bills are passed in the House, they are sent to the Senate. The Senate then considers the bills and amendments it wishes to make.
- **Conference committee** reconcile the differences between the House and the Senate versions of the bills and send bills back to the House & Senate Chambers for vote.
- By October 1, completed bills voted in full House and Senate Chambers and signed by the President into law.

General Budget Timeline

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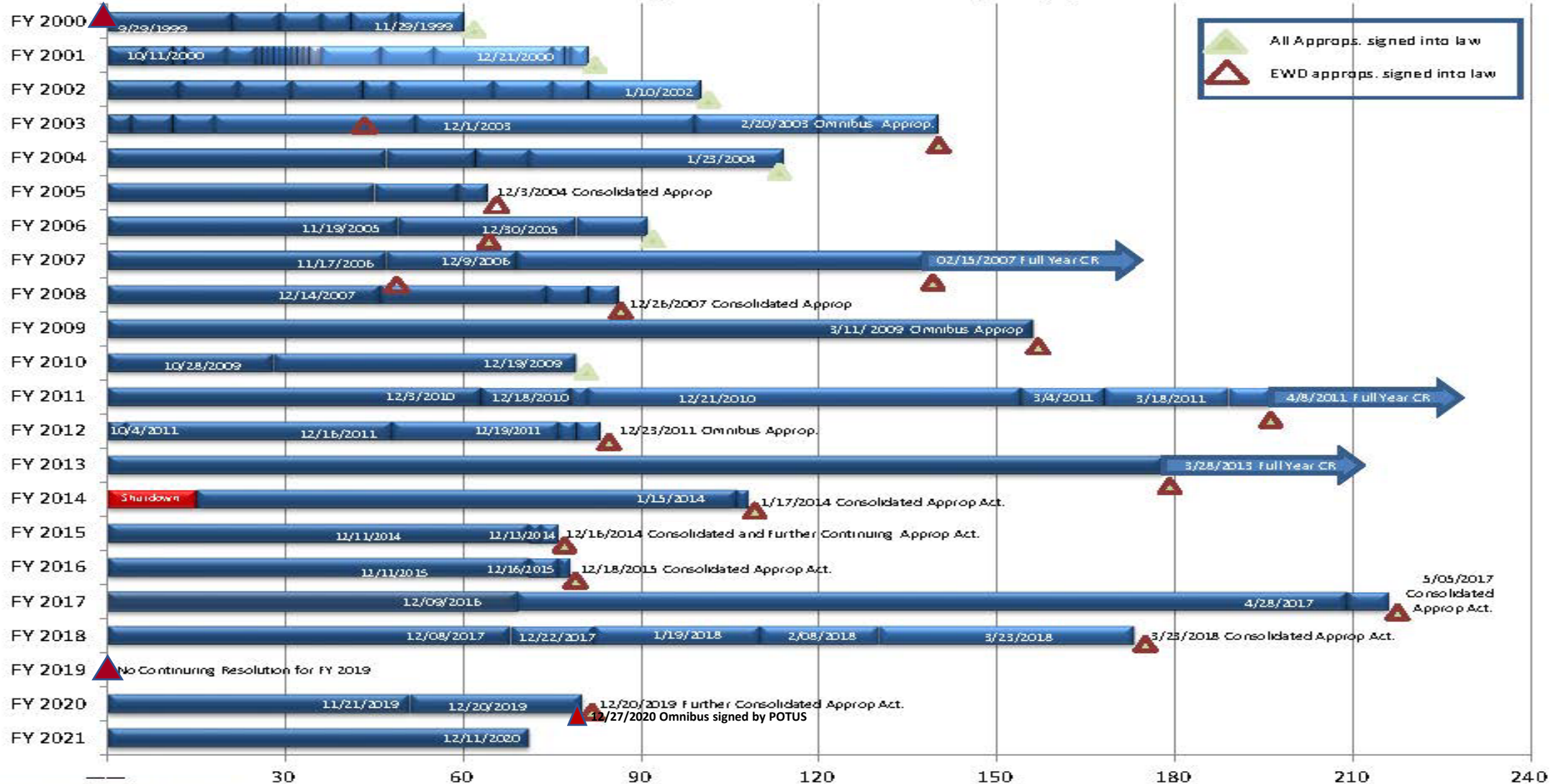


Budget Reality: CR's

What Happens when by Oct 1, Congress and the President **Do Not Agree** on how much to “appropriate”

- Federal agencies will not have the money (appropriations) needed to continue operations and will have to shut-down.
- To avoid a shut-down, Congress may pass and the President may sign a Continuing Resolution (CR).
- The “CR” authorizes the funding of government agencies at the current level until either the resolution expires, or an appropriations bill is passed.
- A CR must be passed by both houses of Congress and signed by the President, or passed with a majority large enough to override a Presidential veto.

Continuing Resolution Durations (in days)



NNSA Budget History Questions

- When was NNSA established?
- Who was President?
- Why did we have so many CRs in FY 2001?
- What year did the government shut down?
- How does NNSA get funded?
- What happened in FY19 for the first time in 19 years?
- Bonus:
 - How many NPRs have been issued?