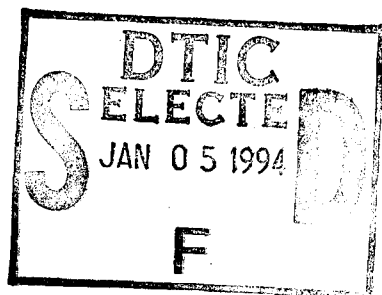


IDEA PAPER

TITLE

Consolidation of the Programming and
Budget Formulation Divisions

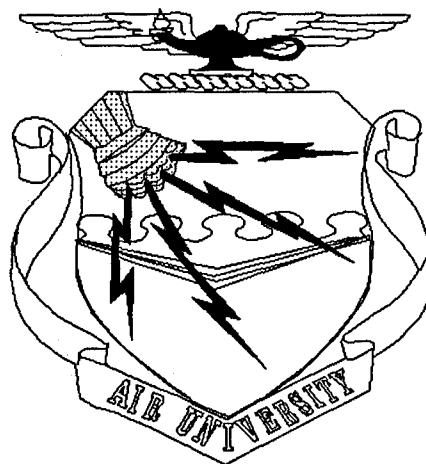


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EXECUTIVE SUMMARY

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With the current and future manpower reductions, we are required to do more with less. We should focus on streamlining, eliminating duplication and overlap of functions to ensure the most efficient and effective organization; specifically, the Budget Formulation and the Programming Division.

In order to maintain consistency and make the smooth transition from the Program Objective Memorandum (POM) to the Budget Estimate Submission (BES), the two divisions should be combined under one directorate. Issues are continuously being worked that affect the budget and POM years and a better understanding of how one affects the other would be beneficial. Having the same individuals or office working the issues would provide consistency and provide manpower savings. Transportation Command and Forces Command are consolidating positions and are taking steps to streamline their resource functions. It would be to USASOC's best interest to do the same. The emphasis from Congress and the Department of Defense is to obtain overall efficiency in resource management.

This study represents the views of the author and does not necessarily reflect the official opinion of the College for Professional Development, Air University, or the Department of the Air Force.

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INTRODUCTION

With the current and future manpower reductions, we are required to do more with less. We should focus on streamlining, eliminating duplication and overlap of functions to ensure the most efficient and effective organization. Consolidating the Budget Formulation and the Programming Division under one directorate would accomplish this objective.

The preparation of the Budget Estimate Submission (BES) include the first two years of the Program Objective Memorandum (POM). In order to maintain consistency and make the smooth transition from the POM to the BES, participation of the Budget Formulation Division in the development of the POM is a requisite. Issues are continuously being worked that affect the budget and POM years and a better understanding of how one affects the other would be beneficial. Having the same individuals or office working the issues would provide consistency, and eliminate duplication and overlap of these type of functions. With the consolidation of the two divisions, there should be manpower savings. Transportation Command (TRANSCOM) and Forces Command (FORSCOM) both recognize the need to consolidate positions and are taking steps to streamline their resource functions. Congress is emphasizing the importance of obtaining overall efficiency with the

establishment of the Chief Financial Officers Act. It is to United States Army Special Operation Command's (USASOC) best interest to pursue the most efficient and effective organization as possible.

As a program analyst in the Programming Division, I will provide the reasons why the Programming and Budget Formulation Divisions should be consolidated under one directorate. The benefits for the command would be (1) one office responsible for the POM and the BES, (2) eliminate duplication of efforts and overlap of functions and (3) provide manpower savings.

DISCUSSION

Background:

USASOC was established December 1989 as the Army Component of United States Special Operations Command (USSOCOM). The Programming and Budget Formulation Divisions were organized under the Deputy Chief of Staff, Resource Management (DCSRM) in accordance with (IAW) the Standard Installation Organization (SIO). The Deputy Chief of Staff, Force Development Integration (DCSFDI) was established as part of the major command (MACOM) reorganization on 1 October 1992, directed by Commanding General Downing (now the CINC at USSOCOM). The Programming Division is currently organized under the DCSFDI and the Budget Formulation Division remained in DCSRM.

POM to BES:

Programming resource requirements for the outyears includes analyzing past, present and future resource requirements of organizations and programs. Historical and current cost data is not readily available to the Programming Division and the Budget Formulation personnel did not participate in the development of the FY96-01 POM. The Programming Division is not involved in the day-to-day operation of the organizations so we depend on expertise from budget personnel. Developing accurate cost projections in a short amount of time requires extensive coordination between the two divisions to ensure the maximum utilization of resources available. Knowing intimately how dollars are executed and for what organizations and programs would lessen the confusion, ensure productivity, and efficiency.

One of the main objectives in resource management is to maintain consistency between the programming, budgeting and execution phases. Personnel in the Budget Formulation Division should be knowledgeable of program changes and new programs because it would provide an better understanding in the development of the BES. If we make adjustments during the budget formulation phase, we must remain within our Total Obligation Authority (TOA) and achieve a zero-sum change (3:20). TOA trends show where the POM nearly equals the budget lines, therefore consistency is even more imperative to ensure we maximize the availability of resources (2:-). The Program

Decision Memorandums (PDM) have become big Program Budget Decisions (PBD) during the last two POM cycles and the trend will probably continue with the emphasis on downsizing the Department of Defense (DOD) (1:-).

Duplication of Efforts:

How the services budget and execute dollars by functional areas (ie., manpower, logistics) is the focus of Congress and the DOD. The main objective of the Chief Financial Officers Act is to gain overall efficiency and improve financial systems. Both divisions should combine their efforts to capture resource information as accurately as possible. Both divisions are working logistic, training and manpower issues. We could save time and effort if one office (instead of two or three) focused on the issues. It is difficult to get a consensus within the command when several offices are pursuing the same issue(s).

Manpower Savings:

Valuable manpower assets in the Programming Division are not being fully utilized by the command. The workload is cyclical and is typical of most programming organizations. Combining the two divisions would alleviate the heavy workload in the budget organizations. Several programs being worked by both divisions are the Reserve Component and National Guard pay issue; Special Operation Medical Training Complex; and Overseas Deployment Training. One division could be working the issues instead of both.

TRANSCOM has combined their programming and budget office in order to have concept to execution in one organization (4:-). Standard Installation Organization (SIO) has separated the two offices; however, this may not be the most efficient organization. FORSCOM is reviewing their organization because it's evident that government organizations have to get better at what we do and become more efficient (5:-). The United States Army Force Integration Support Agency recommended (summer 1994) to the command that the Programming and Budget Formulation Divisions be combined. Our higher headquarters, USSOCOM, has one staff section responsible for resource management and USASOC should consider the same organization structure.

CONCLUSION

Financial matters should remain with the DCSRM since he (or she) is charged with implementing the resource management programs of the command. Our higher headquarters, USSOCOM, has one staff section responsible for resource management. The objective to obtain the maximum amount of resources in the POM years in order to have the flexibility in the budget years is the resource manager's (including everyone in the command) goal.

With the downsizing we must strive for the most efficient and effective organization. We must look to streamline functions where possible. The United States Army Force

Integration Support Agency recommended (summer 1994) to the command that the Programming and Budget Formulation Division be combined. What is the value added of having the POM independent from the DCSRM?

Historically programmers looked at programs with unlimited amount of resources (funny money) and the budgeters looked at dollars only. We need to combine the two in order to compete well in the next POM cycles and take steps to enhance creativity in how we program and budget our resources.

RECOMMENDATION

Recommend USASOC consolidate the Programming and Budget Formulation Division as one entity. Create teams with program and budget personnel responsible for developing the POM and budget documentation.

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