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## STUDY PROJECT

### THE PLANNING, PROGRAMMING, BUDGETING SYSTEM (PPBS): A HISTORICAL PERSPECTIVE

BY

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THE PLANNING, PROGRAMMING, BUDGETING SYSTEM (PPBS):  
A HISTORICAL PERSPECTIVE

An Individual Study Project  
Intended for Publication

by

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The Planning, Programming, Budgeting System (PPBS) is the Department of Defense's formal process for arriving at resource allocation decisions. Its purpose is the translation of national objectives and strategy, strategy and military operations planning, military force types and levels into specific defense programs and the development of defense programs into a budget request. As stated in Department of Defense Directive 7045.14 "The ultimate objective of PPBS shall be to provide the operational commanders-in-chief the best possible mix of forces, equipment, and support attainable within fiscal constraints. The purpose of this study project is to review the development of the Department of Defense's Planning, Programming, and Budgeting System from a historical perspective in order to gain a better understanding of the evolutionary development of PPBS, not only as a resource allocation and decision making process, but also as a vehicle for achieving organizational change.



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## INTRODUCTION

In 1940, V. O. Keys published his seminal critique of public budgeting and the absence of a basis for making rational budget decisions in his article "The Lack of a Budget Theory". It was not until the publication of this article that much attention was paid to the idea of diverting attention away from the mechanical process of budgeting formulation towards answering the basic budgeting problem, namely: "On what basis shall it be decided to allocate X dollars to activity A instead of activity B?"<sup>1</sup>

Budgets, especially public budgets, perform multiple functions. They serve as a control mechanism for limiting the resources used, and for providing direction to and control over an organization. They are used as planning documents for anticipating future needs, resources and requirements; and they serve as programming tools for designing, developing, and supporting programs and policies in different areas. In addition, budgets serve as a means for evaluation of the performance results of existing programs. Finally, and most importantly, they serve as a means for allocating resources and making decisions.<sup>2</sup>

The Planning, Programming, Budgeting System (PPBS) is the Department of Defense's formal process for arriving at resource allocation decisions. Its purpose is the translation of national objectives and strategy, strategy and military

operations planning, military force types and levels into specific defense programs, and the development of defense programs into a budget request. Department of Defense Directive 7045.14 states, "The ultimate objective of PPBS shall be to provide the operational commanders-in-chief the best possible mix of forces, equipment, and support attainable within fiscal constraints."3

Despite the following declaration of noted budget scholar Aaron Wildavsky, that:

" PPB's application to the DOD's final budget is insignificant, but within the Department it might be thought to have had an effect. However, this does not appear to have been the case, for two reasons: First, "PPB decisions are always made to conform to appropriations decisions made during the October-December budget crunch"; and second, "The current PPB system does not do what any foreseeable budget decision system has to do if it is to be the primary determinate of DOD resource allocations; it has to adapt to external fiscal constraints." PPB, apparently, is not only a "has been" in Defense but may well be a "never was"."4

PPBS is alive and well in the Department of Defense and has served as its primary resource allocation and decision making process for the past 30 years. It has, however, been in a constant state of evolution since it was first introduced in 1961.

The purpose of this study is to review the development of the Department of Defense's Planning, Programming, and Budgeting System from a historical perspective in order to gain a better understanding of the evolutionary development of PPBS, not only

as a resource allocation and decision making process, but also as a vehicle for achieving organizational change.

The study of the evolution of PPBS as a resource allocation and decision making process is extremely relevant for two reasons. First, many in government have never learned that history does not start the day you take office or assume a position of responsibility. Second, the life cycle of resource allocation and decision making reform is about 50 years. Therefore, if you count the beginning of PPBS as 1961, we are a little over half way through the cycle. So, we still have a long way to go before it reaches maturity.<sup>5</sup> Hopefully the following review of PPBS will give one a better prospective and understanding of how the system evolved, especially in light of the many changes to the system that have occurred over the past 30 years.

### THE HISTORY OF PPBS

Prior to 1961, military planning and financial management were two discrete activities. The former activity was primarily under the dual jurisdiction of the Military Departments planning staffs and the Joint Chiefs of Staff, and the latter was under the jurisdiction of the Service Comptrollers. As a result, planning and budgeting were on completely different planes. Military plans were prepared with little regard to resource

constraints, and the costs of the plans were always far in excess of the annual budget requests to Congress.<sup>6</sup>

Defense expenditures had been constructed based on the traditional Congressional line-item budget form focusing on categories such as maintenance, supplies, personnel and equipment. The Department of Defense budget, for the most part, was the piecing together of the individual Service requests. Priorities for forces, weapon systems and other activities were established by the Services with little regard for overall national defense needs. The involvement of the Secretary of Defense was largely limited to dividing budget ceilings (provided to the Department of Defense by the Bureau of the Budget) among the military departments, and reducing the budgets if the services exceeded their allocation.<sup>7</sup> The budgets that were built by the Military Departments reflected their own individual interests, with little or no outside guidance. When reductions to the budget requests were made by the Secretary of Defense in order to meet budget ceilings, the decisions on forces, weapon systems and other activities were made without adequate information as to the total cost implications and cost effectiveness in terms of mission requirements or without the benefit of a review of alternative plans.<sup>8</sup>

In a nutshell, there was little attempt or ability within the Office of the Secretary of Defense to review the programmatic aspect of the Military Department's budget

submissions. This early approach to budgeting had the following weaknesses:

- Budget decisions were largely independent of plans,
- There was duplication of effort among the Services in various areas,
- Service budgets were prepared largely independent of one another with little balancing across services,
- Services felt they were entitled to their fixed share of the budget regardless of the effectiveness of their programs or overall defense needs,
- The budget process focused almost exclusively on the next year, though current decisions had considerable consequences for future years, and
- There was little analytical basis on which the Secretary could either make choices among the competing Service proposals or assess the need for duplication in service programs.<sup>9</sup>

This was the environment when Robert S. McNamara, the former President of Ford Motor Corporation, became the Secretary of Defense.

"In many aspects the role of the public manager is similar to that of a private manager. In each case he may follow one of two alternative choices. He can act either as a judge or a leader. As the former he waits until subordinates bring him a problem for solution, or alternatives for choice. In the latter case, he immerses himself in his operations, leads and stimulates an examination of objectives, the problems and alternatives. In my case, and specifically with regard to the Department of Defense, the responsible choice seems clear." ( Robert S. McNamara, 1961)

From his own centralized management style he knew he could not accept the current methods of operations within the Defense

Department and set out to change it. Robert McNamara saw the budget process as his vehicle for achieving control over the Military Departments and for achieving some unity of effort within the Department of Defense.<sup>10</sup>

To this end, McNamara recruited Charles Hitch and Alain Enthoven from the Rand Corporation to implement the Planning, Programming, and Budgeting System (PPBS), which sought to bring the defense budget process under centralized control and to provide unity of effort in achieving established national defense policies and goals. The initial elements of the PPBS process that were introduced in the Department of Defense had been developed earlier in the 1950's by the Rand Corporation.<sup>11</sup>

Phillip Odeen, who worked with Charles Hitch in the effort to establish the new budgeting system in the Department of Defense, saw PPBS, as it was implemented, designed to accomplish five things:

- Lay out the multi year impact of decisions made this year (no more "buy ins").
- Look at the defense program in mission or output terms, not in service or budget terms. It was to focus on what we were trying to do, not on who would do it.
- Provide a way to tie missions, strategies, forces, and budgets together. The hope was for integrated plans, programs, and funding.
- Facilitate Cross-service or comparative analysis where missions overlap and output oriented analysis (cost-benefit) for service-unique missions.
- Make resource decisions according to a rational sequence, looking first at broad plans, the

multi-year programs, and finally at the one year budget details.<sup>12</sup>

The intent was to introduce "cost-benefit analysis" and other qualitative techniques to derive "output oriented programming." To do this, programming was organized into functional mission areas and a five year projection put into the budget. The mission areas and the five year projection became known as the Five Year Defense Program. So strong was this document that unless a program was contained in it, the program had no official status in the Department of Defense and would, therefore, not be eligible for inclusion in any budget proposal.<sup>13</sup> The effect was "centralized planning", and to provide specific program guidance to the Military Departments. The ultimate goal was to "make the budget a more effective instrument of policy."<sup>14</sup>

The budget process was therefore divided into three phases: Planning, Programming and Budgeting. The Planning phase was concerned with multi-year long range requirements to guide the development of the Service programs. The Programming phase would have a multi-year prospective based on specific programs needed to support the long range planning requirements, and the Budgeting phase would concentrate on fixing the costs of the first year of the programs chosen in the Programming phase. The Office of Systems Analysis was created to provide the independent analytical support necessary to assess and review Service programs and budget requests.<sup>15</sup>

To provide a programmatic and multi-year focus, which is the heart of PPBS, the Five Year Defense Program (FYDP), as noted earlier, was created. The FYDP was and is the central data base underlying PPBS. This multi-year plan divided the Department of Defense's budget into ten major force programs:

- Strategic Forces
- General Purpose Forces
- Intelligence and Communications
- Airlift and Sealift
- Guard and Reserve Forces
- Research and Development
- Central Supply and Maintenance
- Training, Medical, Other General Personnel Activities
- Administration and Associated Activities
- Support of Other Nations

These programs were the aggregations of their individual building blocks or Program Elements, and were intended to be the bridge between the military planners who cared about requirements and the budget people who were concerned with cost but not necessarily with effective policy.<sup>16</sup>

In essence, the Program Elements were the basic elements of the Department of Defense budget, and each Program Element, along with its associated costs, could be displayed as a matrix covering the five years of the FYDP. Thus, the FYDP serves as a

fundamental cross-walk between the program structure used in the Programming phase of PPBS and the appropriations structure used in the Budgeting phase.<sup>17</sup>

However, during the early years, program and budget decisions were still largely divorced from the results of the formal planning process which largely remained a Joint Chiefs of Staff (JCS) responsibility. The JCS planning was considered to be unrealistic and lacking in analytical rigor. Consequently, the Planning and Programming phases were combined in the memoranda prepared by the Office of Systems Analysis on each of the ten major force programs which was called the Draft Presidential Memorandum (DPM). The DPM analyzed alternative force and program choices, along with the preferred choice. After review by the Secretary of Defense, the DPM became the basis for both issuing program guidance to the Services and assessing the Services change requests. Usually, the Services submitted around 300 change requests annually, but few were approved.<sup>18</sup>

At the end of the Programming phase, budget guidance was issued. Using the DPM prepared by the Office of Systems Analysis on the 10 major force programs, and any approved changes, the Services were asked to cost out the first year of the FYDP. There were no budget ceilings provided; the Services were to price out what they needed, based on the approved program, regardless of cost. The usual result was Service budget requests whose combined total considerably exceeded

Department of Defense's "top-line," which although not formally acknowledged was none the less real. This difference between the Services' budget requests and the total funds available to the Department of Defense provided the Secretary of Defense with considerable latitude in determining the composition of the Department of Defense's budget, by choosing which weapon systems or other programs which were to be included in or excluded from the budget. No other Secretary of Defense since McNamara has sought to exercise the degree of detailed control over the defense program and the budget that he did.<sup>19</sup> However, notwithstanding the improvements that PPBS brought to the ability to tie missions, strategies, forces, and budgets together, planning still remained the weak link in the PPBS resource allocation process.

The first major change to the PPBS occurred under President Nixon's Secretary of Defense Melvin Laird, a former congressman and a member of the Defense Appropriation Subcommittee. He believed in using a more participatory management style and Management by Objective. From his vantage point on the Defense Appropriations Subcommittee, Laird concluded that McNamara had concentrated too much power in his office at the expense of the Military Departments. Convinced that program development belonged to the Military Departments, Secretary of Defense Laird returned to the Services the responsibility for identifying needs and defining, developing and producing the systems to satisfy those needs.<sup>20</sup>

To this end, detailed "program guidance" was replaced by broader "fiscal guidance". The Office of Systems Analysis no longer prepared independent program proposals or issued the DPM but reviewed the program proposals or Program Objective Memorandum (POM) prepared by the Services using specific budgetary ceilings. This imposition of budget ceilings for the Programming phase of PPBS has become a permanent part of the system. Having the Services propose programs, rather than reacting or responding to programs suggested by the Office of the Secretary of Defense, has also become the accepted procedure as well. The degree of control over the Programming process exercised by the Office of the Secretary of Defense has varied over the years depending upon the management style and personality of the Secretary of Defense. As a result, both the types of "program review" and "program guidance" in terms of degree of detail and specificity provided by the Office of the Secretary of Defense has also varied greatly.<sup>21</sup>

In addition, to the fundamental change toward "program decentralization" initiated by Secretary Laird, several other significant events occurred in the 1970's that impacted on the evolutionary development of PPBS. First, the Congress passed the Congressional Budget and Impoundment Act of 1974. Jimmy Carter became President of the United States and with him came Zero-Base Budgeting (ZBB). Finally in 1979, the "Rice Study" of PPBS led to the creation of Defense Resource Board (DRB).

The Congressional Budget and Impoundment Act of 1974 (Public Law 93-344) states as its purpose that:

"The Congress declares that it is essential: to assure effective Congressional control over the budgetary process; to provide for the Congressional determination each year of the appropriate spending level of federal revenues and expenditures; to provide a system of impoundment control; to establish national budget priorities; and to provide for the furnishing of information by the Executive branch in a manner that will assist the Congress in discharging its duties."<sup>22</sup>

To accomplish these purposes the Act created three new entities: the House Budget Committee, the Senate Budget Committee and the Congressional Budget Office. In addition, the Act provided for a new set of budgeting procedures, a timetable for budgetary actions, and a change to the fiscal year. Finally, the Act provided for procedures to control Presidential impoundment (the process whereby the President would not spend monies appropriated by the Congress).<sup>23</sup>

Prior to the Congressional Budget and Impoundment Act of 1974, there was no formal congressional budget process. The total federal budget approved by Congress was simply the sum of the budget authority enacted or existing in permanent statutes. The deficit was simply the difference between the approved level of spending and the revenue resulting from tax decisions, which were made separately. Under the process established by the Act, the Congress must face annually the consequences of its fiscal decisions. As a result, the process requires decisions as to the amount of resources that will be devoted to all federal

programs including defense. Thus, the total funds devoted to defense were now being debated in the larger context of the entire federal budget.<sup>24</sup>

Of primary significance to the Department of Defense and to PPBS, besides changing the start of the fiscal year from 1 July to 1 October, the Act provided a set of benchmarks in the form of concurrent resolutions against which PPBS participants could measure the broad level of congressional support for both the defense budget in general and for specific programs. Unfortunately, the Congress has neither lived up to the expectations of the Act nor the time table established by the Act.<sup>25</sup>

President Jimmy Carter introduced Zero-Base Budgeting to the federal budget process in 1977, and as a result, significantly increased the level of involvement of the Office of the Secretary Defense in the development of Service programs. Zero-Base Budgeting's major purpose was to examine all programs simultaneously starting from the ground (zero-base) up, with a clear goal of identifying marginal programs. The process focused around decision packages built on three alternative levels of funding; a minimum level, a current level, and an enhanced level. Within PPBS, each Service developed procedures to array decision packages. The decision packages arrayed at three different resource levels were to provide the Office of the Secretary of Defense a greater opportunity for altering Service program proposals. The introduction of ZBB into the

PPBS process significantly increased the overall work load, level of detail and paperwork requirements. The concept of using decision packages is still used today by the Services in making program decisions.<sup>26</sup> However, Zero-Base Budgeting within the Defense Department was eliminated in 1981 at the direction of Deputy Secretary of Defense Carlucci. According to Carlucci, "The idea of reexamining the necessity and the desirability of continuing each program is a good idea. The process by which we have done this is not."<sup>27</sup>

In 1979, as a result of the recommendations from the Defense Resource Management Study by the Rand Corporation, the so-called "Rice Study", Secretary of Defense Harold Brown created the Defense Resource Board (DRB). Consisting of the various Under Secretaries and Assistant Secretaries of Defense and the Chairman of the Joint Chief of Staff, the primary purpose of the DRB was to direct and supervise the Secretary of Defense review of the Service POMs and budget submissions as part of the PPBS management process. The DRB worked to identify those major issues in the program review deserving the Secretary of Defense's attention. The board itself was to resolve lesser issues.<sup>28</sup>

The Reagan administration and Secretary of Defense Caspar Weinburger, as part of the so called "Carlucci initiatives," subsequently broadened the board's membership to include the Service Secretaries. The rationale was that: first, the Service viewpoints were important and useful; and second, fewer

decisions would be appealed if the Services were represented on the board that debated the issues. The DRB was also given a broader role in developing, reviewing and approving defense policy and strategy contained in the Defense Guidance (DG), a descendent of the old Draft Presidential Memorandum and now known as the Defense Planning Guidance (DPG). The operational experience of the Unified and Specified Commanders-in-Chief (CINC's) was also been brought into the process. Twice yearly the CINC's are brought in to participate in the initial DRB deliberations of both the planning (development of DG) and the programming phases (called the DRB Program Review).<sup>29</sup> The board membership has grown to 20 formal members and five defacto members. Now called the Defense Planning and Resource Board (DPRB), it has served styles and preferences of the Secretaries of Defense for the past eleven years and remains the senior organization for planning and resource allocation within PPBS.

In addition to restructuring and refocusing the role of the DRB in defense planning and program review, the Carlucci initiatives included streamlining the PPBS process, reducing the paperwork requirements, eliminating of the ZBB-type detailed formats, and generally reducing PPBS data requirements. The Army FY 85 - 90 POM, for example, was reduced in size from 4,800 pages to 750 pages.<sup>30</sup> Further, the initiatives included greater emphasis on long range planning, greater decentralization of authority to the Services and increased attention on cost savings and efficiencies.<sup>31</sup>

As seen from a broader context, the major goal of the so-called Carlucci initiatives was to reduce the amount of control the Office of the Secretary of Defense had over Service program development. Thus allowing the Office of the Secretary of Defense to get on with the business of rebuilding America's defenses from the levels which the administration felt they had fallen during the Carter years.<sup>32</sup>

In 1984, Deputy Secretary of Defense Taft, Carlucci's replacement, recognized that despite previous initiatives, planning remained the weak link in the PPBS process. To this end, Taft issued a directive designed to increase the role of the Unified Commanders-in-Chiefs (CINCs) in the development of the Service POMs and the DRB Program Review. Specifically, the CINCs were to submit their prioritized requirements known as Integrated Priority Lists (IPL) to the Services outlining their requirements for inclusion in the Service POMs. Thus giving the CINCs requirements greater visibility in the PPBS process. Later the CINCs roles would be further expanded to include the Budget phase of PPBS.<sup>33</sup>

In addition, to the initiatives under taken by Carlucci and Taft, two other actions were ongoing concurrently both in the Reagan administration and the Congress that would greatly impact on the evolutionary development of PPBS. First, the Congress began conducting a review of the organization of the Defense Department, and in January 1985 directed that a detailed congressional staff study be initiated with a view toward making

recommendations to correct deficiencies and strengthening the Department of Defense. Secondly, the administration, in an effort to head off congressional action, established a Blue Ribbon Commission on Defense Management in July 1985 with the stated goal of making recommendations on how to improve the effectiveness and stability of the resource allocation for defense, including the legislative process. As a result of these two studies, the Congress passed two pieces of legislation, the Department of Defense Authorization Act of 1986, and the Goldwater-Nichols Defense Reorganization Act of 1986, implementing many of the recommendations of the congressional study; and the President issued National Security Decision Directive 219 which implemented virtually all of the recommendations of the Blue Ribbon Commission.<sup>34</sup>

During the Senate Hearings on the congressional study, titled Defense Organization: A Need for Change, the Director the Study, James R. Locher III, noted that:

"In some activities, the Department of Defense has achieved a level of efficiency unmatched elsewhere in the Federal Government. Notable in this regard is the Department's resource allocation process; the Planning, Programming, Budgeting System. Despite problems in this system, the Department's process for allocation resources is substantially more efficient than that of any other department or agency. It should be noted that trends in the organization are moving in the right direction, numerous improvements have been implemented, particularly in the last two years. However, much remains to be done especially in light of the more severe fiscal constraints currently anticipated for the immediate future and the increasing and changing nature of the threats to American security."<sup>35</sup>

The Department of Defense Authorization Act of 1986 was of significance to PPBS because it required the Defense Department to implement biennial budgeting beginning with the FY 1988/1989 budget submission. Implementing a biennial budget was seen as a needed change that would help Congress move away from detailed annual budget reviews and would provide for more time for broad policy oversight. By shifting to a biennial budget, both the Congress and the Department of Defense would be better able to take a long term view, during the "off year", of national security and military strategy in both planning and budget execution.<sup>36</sup> However, to date, the Congress has yet to approve a biennial defense budget primarily due to the inability of the administration to meet the budget deficit reduction targets specified in the Gramm-Rudman-Hollings Act.<sup>37</sup>

Although the Goldwater-Nichols Defense Reorganization Act of 1986 did not specifically direct changes to PPBS, it did make organizational changes in the Department of Defense that affect budget planning and execution. Specifically the Act directed that the Secretary Defense provide annually written guidance for the preparation and review of program recommendations and budget proposals. The guidance will include national security objectives and policies, prioritized military missions, and most importantly, the projected available resource levels for the planning period. In addition, the Act strengthened the role of the Chairman of the Joint Chiefs of Staff and Unified Commanders in the planning and budget process. The Chairman's duties were

expanded to include: the preparation of fiscally constrained strategic plans; advising the Secretary of Defense on the extent to which the Services' budget proposals conform with the priorities established in strategic plans and meet the requirements of the unified and specified combatant commanders; submitting to the Secretary of Defense alternate budget proposals in order to achieve greater performance with the priorities established in strategic plans and meet the requirements of the unified and specified combatant commands; and recommend to the Secretary of Defense a budget for activities of each unified and specified combatant commands. The Unified Commanders may, as determined by the Secretary of Defense, submit separate budget proposals to the defense budget.<sup>38</sup>

National Security Decision Directive 219 (NSDD 219) directed the implementation of the recommendations of the Blue Ribbon Commission on Defense Management which were, for the most part, very similar to the recommendations of the congressional study that were enacted into the law. Specifically with regard to PPBS, these recommendations dealt with strengthening national security planning and budgeting process through which the President provides policy and fiscal guidance to the Department of Defense, enhancing the role of the Chairman of the Joint Chiefs of Staff in resource allocation, and implementing biennial defense budgeting.<sup>39</sup>

In a nutshell, the key trends in the PPBS process that have occurred as a result of the actions taken by both the Reagan Administration and Congress include: first, increased participation of senior leaders in the resource allocation process; second, greater interest in the output side of the resource management in terms of measurement of operational readiness and support costs; third, more emphasis on oversight and budget execution; fourth increased effort to strengthen the strategic and national security planning process; and lastly, biennial defense budgeting.<sup>40</sup>

#### CONCLUSION

"If a nation is to have a sound defense policy, it must do three things. First, it must devise a military strategy that properly supports its foreign policy goals. Second, it must create a defense organization that is conducive to producing the types of fighting forces that its strategy calls for. Third, it must construct a resource allocation mechanism that enables its defense establishment to translate efficiently the raw materials of military power into the requisite fighting force.<sup>41</sup>

Since its initial introduction into the Department of Defense by then Secretary of Defense Robert S. McNamara in 1961 through the recent organizational changes mandated by the Congress in the Goldwater-Nichols Defense Reorganization Act of 1986, the Planning, Programming, Budgeting System (PPBS) has been the Department of Defense's formal process for arriving at resource allocation decisions. Its purpose has been and still is the translation of national objectives and strategy, strategy

and military operations planning, military force types and levels into specific defense programs, and the development of defense programs into a budget request. As stated in Department of Defense Directive 7045.14, "The ultimate objective of PPBS shall be to provide the operational commanders-in-chief the best possible mix of forces, equipment, and support attainable within fiscal constraints."

PPBS has been in a constant state of evolution since it was first introduced almost 30 years ago. It has been altered over the years to serve, not only, the differing management styles of seven different Presidents, ten different Secretaries of Defense, and fifteen different Congresses, but also to improve the overall defense resource allocation and decision making process. Further, the evolution of PPBS, over the years, has not only significantly changed the resource allocation and decision making process within the Department of Defense, but it has influenced the changes that have occurred over the years to the congressional budget process to include the current discussions in Congress on the possibility of adopting a biennial budget.

As stated previously, the purpose of this study has been to review the development of the Department of Defense's Planning, Programming, and Budgeting System from a historical perspective in order to gain a better understanding of the evolutionary development of PPBS, not only as a resource allocation and

decision making process, but also as a vehicle for achieving organizational change.

Recent congressionally mandated changes in the Department of Defense organization have served to increase the influence of senior military leaders in the PPBS process, especially the Unified Commanders and the Chairman of the Joint Chiefs of Staff. These changes appear to be aimed at reversing the trend of Service domination of the PPBS process in an effort to ensure the most effective allocation of rapidly declining defense resources. In addition, these changes also appear to be aimed at strengthening what have long been considered the weak links in PPBS, strategic planning, to include process through which the President provides policy and fiscal guidance to the Department of Defense and budget execution. In the near term, further congressionally mandated changes seem to be inevitable, especially in light of the rapid changes that are occurring in the Soviet Union and Eastern Europe, and the rush to cash in on the so-called "peace dividend".

"More centralized Department of Defense management and less service dominance of the policy process is likely to continue to be the will of Congress. More joint-service thinking about mission, research and development, and procurement will be demanded by committees that increasingly become more specialized and better informed. By understanding and acting on the expectations of Congress, the military has the opportunity to lead the change process, rather than merely reacting to congressionally mandated changes that have been based on little or no military input....To be effective advocates, the military must stay abreast of congressional developments and have a grasp of the problems and interest of congress." 42

As we move into an era of rapid change, uncertainty and increased pressure to "down size" the Armed Forces, the Planning, Programming, and Budgeting System will continue to evolve and play a vital role as both a resource allocation and decision making process and as a vehicle for achieving organizational change.

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