

PLANNING, PROGRAMMING, BUDGETING, AND EXECUTION

I. Purpose

This Directive establishes Planning, Programming, Budgeting, and Execution (PPBE) as the system through which the Department of Homeland Security (DHS) integrates key functions to effectively manage the Department. This is accomplished through setting strategic planning goals and priorities, engaging in programming analyses to appropriately resource those priorities, defining near-term budget requests in terms of programming decisions, and then executing funding plans, operations, and measuring effectiveness as to provide feedback to the other phases of PPBE. In this way, the Department integrates its planning, programming, budgeting, and execution phases into a system to optimize the delivery of strategy and results to stakeholders and the public.

II. Scope

This Directive applies throughout DHS, except for the Office of Inspector General, unless specifically exempted by statute.

III. Authorities

- A. Public Law 107-296, 116 Stat. 21 35, "The Homeland Security Act of 2002," codified in Title 6, United States Code
- B. Public Law 108-330, "The Department of Homeland Security Financial Accountability Act"
- C. Public Law 111-352, "The Government Performance Results Act (GPRA) Modernization Act of 2010 (GPRAMA)"
- D. Public Law 113-291, "Carl Levin and Howard P. "Buck" McKeon National Defense Authorization Act for Fiscal Year 2015," Title VIII, "Acquisition Policy, Acquisition Management, and Related Matters," Subtitle D, "Federal Information Technology Acquisition Reform" as codified in relevant part at 40 U.S.C. § 11319 (FITARA)
- E. Office of Management and Budget (OMB) Circular A-11, "Preparation, Submission, and Execution of the Budget"

- F. Office of Management and Budget (OMB) Circular A-130, "Managing Information as a Strategic Resource"
- G. DHS Delegation 0100.2, "Delegation to Deputy Secretary"
- H. DHS Delegation 00002, "Delegation to the Under Secretary for Management"
- I. DHS Delegation 00701, "Delegation to the Chief Acquisition Officer"
- J. DHS Delegation 01000, "Delegation for Financial Activities"
- K. DHS Delegation 04000, "Delegation to the Chief Information Officer"
- L. DHS Directive 071-01, "DHS Leadership Forums"
- M. DHS Directive 142-02, "Information Technology Integration and Management"
- N. DHS Directive 102-01, "Acquisition Management Directive"
- O. DHS Directive 071-02, "The Joint Requirements Council"

IV. Responsibilities

A. The **Secretary** is the ultimate decision authority on the DHS Strategic Plan, Strategic Planning priorities, internal resource allocation deliberation, Resource Planning Guidance (RPG) in conjunction with Fiscal Guidance, final Resource Allocation Decisions (RAD), the Future Years Homeland Security Program (FYHSP), and the DHS Budget submitted to the Office of Management and Budget (OMB) and Congress. The Secretary provides financial and operational reports to Congress. This authority can be delegated in whole or in part, for example, to the Deputy Secretary as the Chief Operating Officer. Decisions on the DHS FYHSP and President's Budget request to the Congress are made by the Secretary or Deputy Secretary in cooperation with the OMB Director and the President. The Secretary also leads the Senior Leaders Council (SLC), which is a receiver of resource allocation recommendations from the Deputy's Management Action Group (DMAG).

B. The **Deputy Secretary**:

1. Provides recommendations to the Secretary on strategic planning and priorities deliberations, resource allocation decisions, and reports to Congress regarding the execution of funds and operations; and

2. Chairs the DMAG, which serves as a senior Department-wide decision body (at the discretion of the Deputy Secretary) for resource allocation issues to support development of these recommendations in a transparent fashion.

C. The **Under Secretary for Management (USM)**:

1. Provides leadership and oversight for all Department Management and Operation functions, including finance, information technology (IT), human capital, procurement, readiness support, security, and acquisition;

2. Serves as the DHS Chief Acquisition Officer (CAO) and manages, administers, and provides oversight of the Department's acquisitions. Acquisition decisions are an input to the annual Program and Budget Review (PBR);

3. Serves as the Department's Performance Improvement Officer and Program Management Improvement Officer overseeing the management of these key execution functions; and

4. Issues USM Strategic Guidance which outlines strategic shifts in functional areas [finance, information technology (IT), human capital, procurement, readiness support, security, and acquisition] in order to guide Component programming.

D. The **Chief Financial Officer (CFO)**:

1. Reports directly to the Secretary and Deputy Secretary regarding financial management matters;

2. Oversees the integration of the PPBE system for the Department, as administered by the Offices of Program Analysis & Evaluation, Budget, and Cost Analysis;

3. Oversees the annual PBR and FYHSP development, including presenting substantive, large-scale alternative choices to the appropriate governance body;

4. Assesses progress towards Department-wide performance goals and reports results in regard to the Agency performance plan to Congress;

5. In conjunction with the Chief Human Capital Officer (CHCO), develops and enforces standards for workforce requirements modelling and position management standards; and

6. Coordinates the development of the USM Strategic Guidance.

E. The **Chief Information Officer (CIO)**:

1. Approves budget requests for IT resources as part of the PPBE process, including requests to transfer or reprogram funds and planned IT spending; participates as a decision maker in all aspects of the annual and multi-year PPBE processes and related reporting for IT resources;
2. Reviews, and in conjunction with the CFO, recommends approval to the DHS Secretary/Deputy Secretary of budget requests for IT resources;
3. In conjunction with the CFO and CAO, ensures that IT resources are distinctly identified and separated from non-IT resources during the planning, programming, and budgeting processes in a manner that affords the CIO and Component CIOs appropriate visibility and specificity to provide effective management and oversight of IT resources;
4. Approves the IT elements of any plans, through a process defined by DHS Secretary (or Deputy Secretary), that balances IT investments with other uses of Department funding;
5. Participates in the internal planning processes for how the Department uses information resources to achieve its objectives at all points in their life cycle, including operations and disposition or migration; and
6. Jointly affirms with the CFO that IT support for major program objectives including increases or decreases in IT resources has been reviewed.

F. The **CFO, CIO, CHCO, CHCO, Chief Procurement Officer, Chief Security Officer, Chief Readiness Support Officer**, and **Executive Director of the Office of Program Accountability and Risk Management** provide input to the USM Strategic Guidance and conduct an annual review of their respective portfolios during PBR.

G. The **Under Secretary for Strategy, Policy and Plans (PLCY)** leads DHS strategy development including the Quadrennial Homeland Security Review (QHRS) and the DHS Strategic Plan, published every four years in accordance with the GPRA Modernization Act of 2010, or, not later than the first Monday in February of any year following the year in which the term of the President commences.

H. The **Chairperson of the Joint Requirements Council (JRC)**:

1. Provides validated requirements assessments into the planning and programming phases.

2. Ensures the JRC adheres to DHS and Joint Requirements Integration and Management System (JRIMS) operating procedures, and that JRC decisions are supported by analytic rigor;
3. Provides recommendations to the DMAG and oversees the JRIMS process;
4. Governs JRIMS execution and provides the DMAG with cost-informed recommendations on capability gaps, approaches to address mission needs, concepts of operation, and operational requirements;
5. Recommends JRIMS documentation development and portfolio optimization; and
6. Is supported by the JRC Operational and Supporting Component members, JRC Director, JRC staff, Component/Headquarters Gatekeepers, Component Requirements Executives, and functionally-aligned Portfolio Teams.

I. **Component Heads:**

1. Oversee execution of PPBE within the Department and lead similar processes at the Component level in terms of managing their own PPBE systems;
2. Make resource allocation decisions within their own Components and are the final authority in the prioritization and submission of RAPs to the Department;
3. Manage the execution of financial expenditures, operational activities, and provide information for required reporting to Congress; and
4. Establish methods to oversee program management and risk management activities for the programs and operations under their purview.

V. Policy & Requirements

A. **Policy:** DHS uses PPBE as a framework for resource allocation decision-making and to articulate program priorities. PPBE is a cyclic annual system consisting of four sequential but sometimes overlapping phases:

1. **Planning** involves a series of both longer-term and near-term activities. The four year strategic plan establishes the goals and objectives the Department is striving to achieve and drives all subsequent processes. Annually, planning initiates the new cycle of relevant activities related to PPBE (and performance results of the prior year should inform the planning

phase of the following year). The planning phase identifies and communicates long-term DHS strategies to guide operational activities, resource planning, and analytic activities to inform near and longer-term resource decisions. The culmination of the planning phase is the issuance of the RPG, which reflects the Secretary's strategic and resource planning priorities for future years' budget.

2. **Programming** follows the planning phase. The objective of the programming phase is to translate the Secretary's priorities, strategic guidance, DHS Strategic Plan, and Component plans into specific resource allocation decisions articulated over a five-year period of the FYHSP. In the programming phase, DHS planning decision and guidance are translated into a detailed allocation of the time-phased resource requirements, including investments, construction, human capital, IT, and other support and operating expenses. Department-level programming is initiated with component RAP submissions and concludes with the issuance of the RAD and recording of decisions in the FYHSP system. Components may begin internal programming processes in the fall.

3. **Budget** formulation is informed by the outputs of the programming phase. The objective of the budgeting phase is to develop a fully justified one-year budget submission for DHS, including the defense of that budget to OMB and the Congress. The principal outputs of the budgeting phase are the budget justification materials for OMB and Congress. The enactment of an appropriation completes the budgeting phase.

4. **Execution** activities are continuous throughout the year. The objective of the execution phase is to responsibly expend resources and to account for cost and performance to determine if value is delivered to our stakeholders. Annual analysis and reporting of financial expenditures and performance measure results are key deliverables during this phase. Reporting on Agency Priority Goals designed to deliver near-term results aligned to leadership priorities also occurs during this phase. During the execution phase the Agency Strategic Review is another mechanism to assess implementation progress, understand accomplishments and challenges/risks, and seek ways to continuously improve. Fundamental to PPBE is the use of execution information to inform the other phases of the system.

B. The **FYHSP** is the official DHS Program of Record summarizing DHS programs and associated resources for the budget year plus four years in support of strategic goals, objectives, and planning priorities and reflects the Administration's position on the DHS top-line and the allocation of DHS resources across Component programs and DHS missions. A FYHSP report is submitted to Congress each year at or near the time of the President's Budget request.

1. The primary database of record for the FYHSP is the FYHSP system found at <https://fyhsp.dhs.gov>.
2. Programs, systems, and processes that have direct linkage with the DHS PPBE include:
 - a. Joint Requirements and Integration and Management System;
 - b. Acquisition Management;
 - c. Information Technology Portfolio Management;
 - d. Capital Planning and Investment Control;
 - e. Performance Management Framework; and
 - f. Human Capital/Workforce Planning.
3. Additional information regarding PPBE can be found in Instruction 101-01-001 PPBE Instruction, Instruction 101-01-001-01, and in the DHS CFO Financial Management Policy Manual located at the following link: <http://cfo-policy.dhs.gov>.

C. **Requirements:**

DHS Components ensure DHS Office of the Chief Financial Officer, Office of the Chief Information Officer, Office of the Chief Human Capital Officer, Office of the Chief Procurement Officer, Office of the Chief Readiness Support Officer, Office of the Chief Security Officer, and Office of Strategy, Policy, & Plans have timely access to any records and data (including classified and proprietary information) that DHS considers necessary to review in order to carry out analyses, except where limited by law.

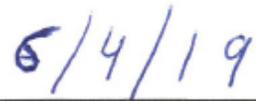
VI. Questions

Address any question or concerns regarding this Directive to the Director of CFO/PA&E.



R. D. Alles

Senior Official Performing Duties of the Deputy
Under Secretary for Management



Date