CHAPTER 3

PPBE FOR DIRECT PROGRAMS

0301   GENERAL

030101.   As stated in Chapter 1, NASA's policy is to utilize PPBE as an agency-wide methodology for aligning resources. This section describes the PPBE process as practiced by NASA. The first steps of PPBE occur separately from the analysis of program resource requirements and culminate in the publication of NASA's Strategic Planning Guidance (SPG), which is then used as the basis for all decisions made during the other three phases. Again, the Strategic Planning Guidance and all programming and budgeting data developed and discussed prior to submission of the President's Budget/IBPD are pre-decisional and are not to be shared outside the agency. This volume focuses on the steps from Strategic Planning Guidance through Appropriation, because they are the most critical to budget formulation and defense of NASA's resource requirements. The Execution process is described in FMR Volume 5, *Budget Execution.*

030102.   Figure 3-1 depicts the annual PPBE process with the ten steps on which this chapter focuses presented in blue.
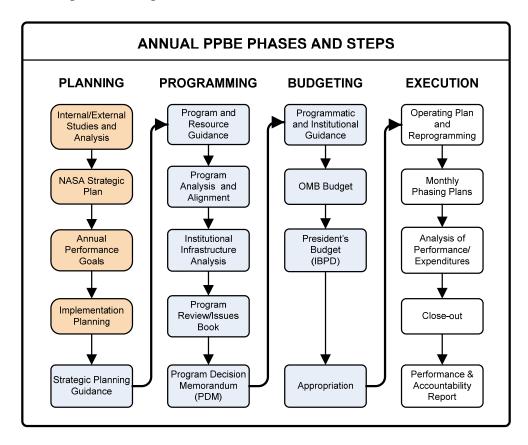

Figure 3-1, Annual PPBE Phases and Steps

A.   The detailed descriptions begin with the Strategic Planning Guidance (SPG) step, the final step in the Planning Phase. In this step, all relevant strategic guidance for developing a programmatic and financial blueprint for the Budget Year plus 4 Outyears (e.g., FY 2008 through FY 2012), including high-level resource control totals, is consolidated into a single concise document that provides uniform guidance for all CAMs.

B.   In the Program and Resources Guidance (PRG) step, the CAMs take the strategic guidance in the SPG and translate it into programmatic guidance more specific for program/project managers and Centers. They also take the high level SPG resource control totals and allocate them to lower levels that they believe are appropriate, but no lower than total project by Center, and identify direct Full-time Equivalents (FTE) by program/project by Center. FTE are not control totals during this step. Upon completion of the SPG and PRG, all parties involved in the PPBE process have all of the strategic guidance and high level resource control totals, as well as much of the programmatic guidance and resource details needed to complete the subsequent steps.

C.   In the Program Analyses and Alignment (PAA) step, the Control Account Managers (CAMs) engage in the key function of the PPBE process, the analysis of programs to ensure that planned programs/projects can and will achieve strategic objectives within the resource constraints established. Based on the resource control totals established in the SPG and PRG, CAMs analyze their activities and align their available resources to ensure effective operations. They compile the information required in the PAA Reports, update the PRG resource figures for changes that they have proposed, and identify those issues that are beyond their capacity to resolve.

D.   In the Institutional Infrastructure Analyses (IIA) step, the Center Directors and Mission Support Office managers provide analysis of the CAMs' proposed plans. Center Directors determine the impact of the proposed programmatic changes on their institutional base and infrastructure, compile the information required in the IIA reports, and identify those issues that are beyond their capacity to resolve. Mission Support Office managers assess compliance with agency-wide requirements and initiatives.

E.   In the Program Review/Issues Book step, PA&E identifies all submitted issues, as well as issues created as a result of the various PAA submissions. PA&E coordinates resolution with the CAMs on as many issues as possible without going to the Strategic Management Council (SMC). All issues are documented in the Issues Book, along with any resolutions reached prior to forwarding to the SMC. The Issues Book also contains sufficient documentation and supporting information on unresolved issues for the SMC to make informed decisions and establish baselines for the OMB Budget submission.

F.   In the Program Decision Memorandum (PDM) step, all decisions made by the SMC to resolve critical issues identified in the Issues Book and previously resolved issues will be documented. PA&E documents these decisions in writing in the

PDM, along with rationales to provide clarity and to preclude subsequent interpretations of the decision.

G.   In the Programmatic and Institutional Guidance (PAIG) step, the OCFO and the CAMs update resource allocations with the decisions reflected in the PDM to balance total project by Center funding levels and direct FTE with the resource control totals approved by the SMC.

H.   In the OMB Budget step, Centers take the resource information from the PAIG and allocate it to full cost components and cost elements, preserving the project totals and implementing the decisions and subsequent impacts captured in the PDM. These detailed allocations are entered into the budget database system. Mission Directorates develop narrative justifications for their programs and projects based on the programmatic and institutional approaches established in the PDM, helping to build a defensible budget submission to OMB. This step concludes with the agency budget request being submitted to OMB in early September.

I.   In the President's Budget step, OMB reviews the initial NASA budget submission and notifies the agency of budget decisions through the passback process. The agency may appeal those decisions, and then develops and integrates the IBPD and supporting documents, including any revisions based on appeal and settlement. The IBPD provides the agency's justification for the President's Budget. The step concludes on the first Monday in February when the President transmits the budget request to the Congress and NASA submits the IBPD (the detailed justification of its part of the overall Federal budget) to Congress.

J.   In the Appropriation step, NASA presents and defends the President's Budget and monitors Congressional progress in developing the NASA appropriation. NASA also reviews any guidance contained in Congressional committee reports and statutes.

030103.   Process details for the steps of the Programming and Budgeting Phases, including roles and responsibilities, are provided in the following sections. In addition, a Matrix of Roles and Responsibilities is provided as Appendix B. Using this matrix, each team player may look up his or her responsibilities through the entire PPBE process without reviewing the detailed responsibilities of other players, or they may review how their responsibilities coordinate with others.

0302   DETAILED DESCRIPTION OF THE STRATEGIC PLANNING GUIDANCE (SPG)

030201.   Purpose.   This is the Planning Phase step where PA&E consolidates (and the SMC approves) all the information from the Strategic Plan, implementation plans, priorities, studies and assessments, and performance measures into strategic guidance for the CAMs to use in designing their programs/projects to achieve

agency strategic goals and provide the institutional and management structure in support of those goals. This step consolidates all relevant guidance into one concise document, providing uniform guidance for all CAMs, so that everyone is working with the same information. It also provides high level resource guidance that establishes the initial funding control totals for the PPBE process. This resource guidance is based on realistic expectations of potential resource levels. The SPG identifies or references the specific NASA priorities for the Budget Year plus 4 Outyears, and includes information on the investment gaps within the agency's portfolio and the ensuing required new initiatives. The SPG is not used to review competitive project selection within existing programs. SPG data is pre-decisional and for internal use only.

030202. Relationship to Other Steps. The SPG step pulls together all of the information developed in the preceding Planning Phase steps. It takes information from the Strategic Plan and incorporates information from implementation plans and from various studies and assessments, e.g., Inspector General reports, Government Accountability Office (GAO) reports, PA&E studies. It identifies or references the specific strategic performance measures that CAMs should address in the various analyses in the Programming Phase and in the performance plan in the Budgeting Phase. This step occurs roughly concurrently with the issuance of the Program and Resources Guidance, the other critical piece of guidance needed for effective programming.

030203. Policies, Regulations, Guidelines. The NASA Strategic Management and Governance Handbook (to be replaced by Governance and Strategic Management Requirements) is the basic guidance for this step. Other guidance includes the Government Performance and Results Act (GPRA) and various OMB directives, especially OMB Circular No. A-11.

030204. Timeline. This step is completed in February of each year. Typically, SPG development begins before receipt of the passback from OMB and is finalized after completion of the President's Budget in early February.

030205. Responsibilities.

A. Centers. Provide input to and comments on the draft SPG.

B. Mission Directorates. Provide input to and comments on the draft SPG.

C. Mission Support Offices. Provide input to and comments on the draft SPG.

D. OCFO, Institutional Management Division (IMD) and Resources Planning Division (RPD). Provide input to PA&E, including an explanation of changes from the last President's Budget and recommendations concerning Programming Phase report templates. Review and provide comments on the draft SPG. Draft the high level

resource control totals, including narrative explanation of changes from the President's Budget levels. Post final approved SPG on KIC.

E.   Office of Program and Institutional Integration (OPII). Provide input to PA&E, including recommendations concerning Programming Phase report templates. Review and provide comments on the draft SPG.

F.   PA&E. Develop the NASA priorities in conjunction with the Administrator. Request pertinent input and develop the draft version of the SPG, including templates for all formal reports required during the Programming Phase. Submit draft to CAMs for review and comment. Address comments received and develop revised draft SPG. Present revised draft SPG to the SMC and make any SMC requested revisions. Provide SPG to OCFO-RPD for posting on KIC.

030206.   Inputs.   The inputs for this step are the Strategic Plan, implementation plans, the OMB passback, and various studies, reports, and assessments. PA&E will develop the NASA priorities in conjunction with the Administrator. PA&E will also request input from any relevant parties about any programmatic and/or institutional issues which they believe should be addressed in the strategic guidance. Examples could address program schedules, staffing levels, critical facilities, etc.

030207.   Outputs. The final SPG document is the output of this step. This is the single strategic guidance document; additional strategic guidance will not be issued throughout the PPBE process. PA&E will determine the level of detail in the SPG.   The SPG includes high level resource control totals and total FTE by Center. The control level for funds is at the control account level and FTE by Center is provided as a starting point. PA&E will include points of contact in the SPG for additional information or questions.

030208.   Process. PA&E requests input from the OCFO, OPII, MDs, MSOs, and Centers about programmatic and institutional strategic issues that should be addressed. PA&E also requests input from OCFO and OPII on report templates that will be included in the SPG and used throughout the Programming Phase. PA&E reviews and analyzes input provided along with the Strategic Plan, implementation plans, and various relevant studies, reports, and assessments.   After review of all inputs, PA&E develops the draft SPG, including the high level resource control totals from the OCFO, and provides the draft to OCFO, OPII, CAMs, and MSOs for review. CAMs and OCFO review the draft and submit comments to PA&E. PA&E reviews comments and makes changes to the draft, as appropriate. The revised draft SPG is presented to the SMC for approval. Any changes required by the SMC are incorporated, and the final SPG is approved by the SMC. PA&E publishes the approved SPG. The SPG process is depicted in Figure 3-2.
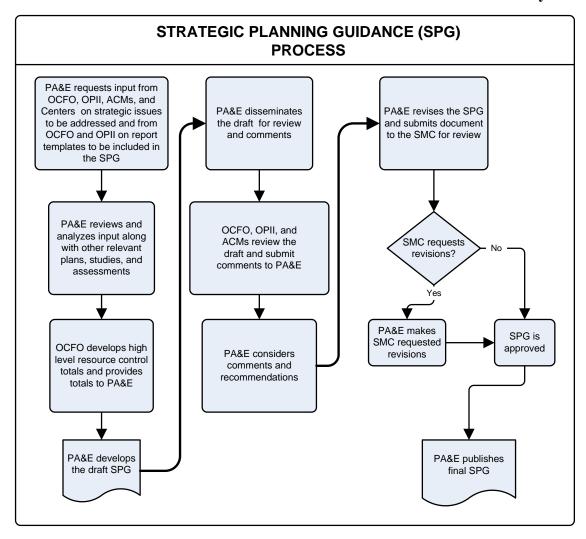
Figure 3-2, SPG Process

030209.   Outcomes/Results. The result of this step is the publication of the SPG document (including the overall PPBE process schedule, key milestones, and tools to be used) that guides the development of the Programming Phase of the PPBE process for the resource request and performance plan to OMB and Congress. The focus of the SPG is the Budget Year plus 4 Years, but the SPG will also include information about how current year and program year changes will be addressed in the various steps of the PPBE process.

030210.   Formats. The format of the SPG is developed by PA&E. It includes information for each year for the Budget Year plus 4 Years. It also includes formats for all formal reports that will be required during the Programming Phase. Guidance for the Budget Year and Budget Year +1 is more detailed; guidance for the other years, less detailed. Structure and content of the SPG includes priorities, new or terminating programs/projects, key dates and milestones, general staffing guidance, process deliverables, high level resource control totals, and direct FTE by Center. CAMs are not authorized to issue strategic guidance through other vehicles.

0303   <u>DETAILED DESCRIPTION OF THE PROGRAM AND RESOURCES
GUIDANCE (PRG)</u>

030301.   <u>Purpose</u>. This is the first step in the Programming Phase. In this
step, the CAMs take the strategic guidance in the SPG and translate it into programmatic
guidance more relevant for the program/project managers and the Centers. They also
take the high level SPG funding control totals and allocate them to lower levels, but not
lower than total direct project by Center, and they identify direct FTE by Center so they
can be used by the program/project managers as the basis for their alignment, re-
planning, and issue analyses. FTEs are not control totals during this step. The total
direct program/project funding levels do not include CM&O, Corporate G&A, or
Institutional Investments. These are identified separately in the SPG and can be included
in this guidance at lower levels, if so desired by the appropriate CAMs. PRG data is pre-
decisional and for internal use only.

030302.   <u>Relationship to Other Steps</u>. The PRG is based on the SPG
guidance and SPG identified control totals. Resource levels are based on the most recent
President's Budget, with appropriate adjustments. The PRG is the key input to both the
PAA and the IIA steps in determining whether funding and/or FTE issues impact the
achievement of agency strategic objectives.

030303.   <u>Policies, Regulations, Guidelines</u>. Guidance in the SPG and
general NASA strategic management guidance is relevant in this step. The PRG does not
create new strategic guidance nor does it exceed the resource control totals in the SPG.

030304.   <u>Timeline</u>. This step is completed after submission of the
President's Budget to the Congress and finalization of the SPG. It is roughly concurrent
with the issuance of the SPG.

030305.   <u>Responsibilities</u>.

         A.   <u>CAMs</u>. Develop programmatic guidance within the strategic
guidelines in the SPG. Allocate the SPG funding control totals down to lower levels but
not lower than total project by Center, and identify direct FTE by program/project by
Center. Track and explain all changes from the SPG control totals.

         B.   <u>OCFO-RPD</u>. Review CAM allocations to ensure compliance with
resource control totals in the SPG.   Define requirements for tracking subsequent
adjustments to resource figures. Issue the PRG by posting on KIC.

         C.   <u>PA&E</u>.   Review CAM programmatic guidance to ensure
compliance with strategic guidance in the SPG.

030306.   <u>Inputs</u>. The inputs for this step are the SPG, the most recent
President's Budget, and other programmatic information generated by the CAMs.

030307.   Outputs.   Programmatic   guidance   for   the   program/project
managers, lower level total funding levels by Center, and direct FTE by Center are the
outputs of this step. FTE data by program/project by Center will be direct FTE only.

030308.   Process. While the SPG is being developed by PA&E, the CAMs
review prior year strategic guidance and determine what programmatic level guidance
needs to be issued to allow program/project managers and Centers to perform the
subsequent steps of the PPBE process.   CAMs also allocate the high level resource
control totals from the SPG into lower level funding details at levels that they believe
appropriate by Center and direct FTE by Center. These FTE are a departure point for
subsequent discussions rather than control totals. These initial allocations in the PRG do
not change as the base, but the resource figures will be updated during subsequent steps
to reflect adjustments recommended and/or approved. CAMs must track and explain all
changes from the SPG control totals and the President's Budget. Funding is dollars in
millions with three decimal places (e.g., $11,932,000 is reflected as $11.932), and FTE
are in tenths (one decimal place). Functional Offices will include any cross-cutting data
calls in the PRG. PA&E ensures that programmatic guidance is consistent with strategic
guidance, and OCFO-RPD ensures that resource allocations reconcile to the high level
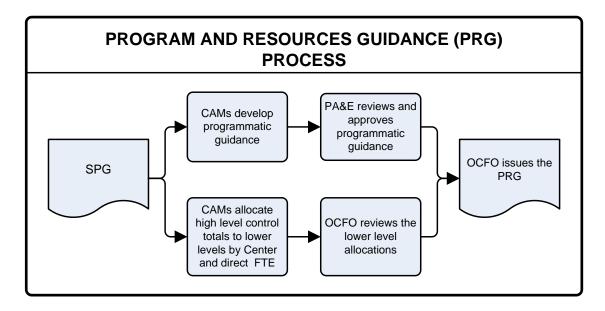resource control totals in the SPG. The PRG process is depicted in Figure 3-3.

Figure 3-3, PRG Process

030309.   Outcomes/Results.   The result of this step is the issuance of
programmatic guidance and lower level funding details by Center and estimated direct
FTE by Center. All PPBE process data requests in this and subsequent steps will be
controlled by PA&E and OCFO.

030310.   Formats. Guidance formats will be approved by OCFO-RPD,
which will also define requirements for tracking subsequent adjustments to the resource
figures.

0304　DETAILED DESCRIPTION OF THE PROGRAM ANALYSES AND
ALIGNMENT (PAA)

030401.　　　Purpose.　This is the step in the Programming Phase in which CAMs identify what they intend to accomplish with their programs/projects to achieve agency strategic objectives, identify any surplus or deficit capabilities and capacities, and identify the impact of funding reductions and/or any need for funding increases.　The PAA report establishes the CAM's recommended strategy for the budget year request, demonstrates how planned programs will achieve agency strategic objectives within allocated resource levels, and is used as the basis for PA&E's program analysis of each control account.　PAA data is pre-decisional and for internal use only.

030402.　　　Relationship to Other Steps.　This is the step where strategy is converted into resourced programs/projects.　Analyses developed in this step inform PA&E about possible issues that need to be raised to senior management in the Issues Book for decision before the Budgeting Phase begins.　PA&E also performs independent analyses of the issues submitted and may add additional issues for the Issue Book.　PAA reports also provide a program/project basis for Centers to perform their Institutional Infrastructure Analyses.

030403.　　　Policies, Regulations, Guidelines.　This step is guided primarily by the SPG and the PRG.　However, all NASA strategic management guidance is relevant.

030404.　　　Timeline.　This step begins in early March after the SPG and PRG have been issued.　The PAA reports are completed in mid-May, and the PA&E analyses of these reports are completed in June.

030405.　　　Responsibilities.

　　　A.　　CAMs.　Complete the PAA reports for all assigned programs, coordinating the effort for program/project managers.　Adjust and explain adjustments to resource figures to reflect proposed funding and FTE changes from the PRG.

　　　B.　　Centers.　Provide information and support to CAMs as requested. Complete the PAA reports for CM&O.　Adjust and explain adjustments to resource figures to reflect proposed funding and FTE changes from the PRG.　Continue on-going discussions with program/project managers.

　　　C.　　OCFO-RPD.　Assist PA&E in providing guidance for PAA report. Review completed PAA reports to ensure that resource figures are correct and that they reflect proposed funding and FTE changes from the PRG.

　　　D.　　OPII.　Assist PA&E in providing guidance for the PAA report. Review submitted Center CM&O PAA reports to ensure that resource figures are correct and accurately reflect decisions concerning institutional integration.　Facilitate an

institutional review with the Associate Administrator.   Develop a consolidated CM&O PAA report and issue paper and submit to PA&E.

      E.   PA&E. Develop and distribute PAA report instructions.   Review and assess submitted PAA reports for completeness, identification of issues, and alternative approaches for resolution.   Develop a portfolio analysis and develop issue papers as required.

      030406.   Inputs. The external inputs for this step are the SPG and the PRG, along with required report formats and due dates. For the Mission Directorates, direct program/project level information from the PRG will be used as the basis for the analysis of existing programs. Cost estimators at Centers may be asked to delineate anticipated funding levels needed to support new initiatives. The internal inputs for this step are the details that CAMs and program/project managers use to develop and manage their programs/projects. Information that they generate throughout the year could be used in this step. For Centers and Mission Support Offices, allocations in the PRG as well as any narrative guidance in the SPG and/or PRG will be used as the basis for analysis of existing programs.

      030407.   Outputs. The output from this step is the completed PAA report which provides all of the requested analyses and information. The PAA report will identify funding and direct FTE by Center. These reports will be used by PA&E for the Program Review and input to the Issues Book. The PAA reports are also reviewed by the Centers and Mission Support Offices for development of their Institutional Infrastructure Analyses.   Additional outputs are quantitative adjustments to the PRG data (program/project funding levels and FTE) that are captured in the resource figures. All adjustments from the PRG and resultant funding levels that occur from the PAA activities will be identified in the database and will be available for subsequent viewing and analysis. Each adjustment that is made from the PRG is to be identified separately with a corresponding narrative explanation for the change in order to facilitate tracking.

      030408.   Process. PA&E issues instructions included in the SPG regarding the content, format, and schedule for submission of the PAA report.

      A)   CM&O PAA. Centers analyze their M&O programs and complete the required formats and narratives and forward them to PA&E. As part of this process, Centers also adjust the resource figures to reflect proposed funding and FTE changes from the PRG. OPII reviews the CM&O PAA reports and facilitates an institutional review with the Associate Administrator.

      B)   Consolidated CM&O PAA. Based on results of the CM&O review with the Associate Administrator, OPII develops the Consolidated CM&O PAA report that includes adjusted resource and FTE totals and forwards it to PA&E.

      C)   Direct Program, Corporate G&A and Institutional Investment PAA. Program/project managers, under the direction of the Mission Directorates, use the

program/project level information in the PRG as the basis for analyses of existing programs. They also solicit information from various staff members, including program analysts, Centers, and other field staff. Program/project managers analyze inputs and, as directed by the Mission Directorates, prepare a program-specific PAA report with the required information for PA&E to analyze various program funding scenarios and the impact of those scenarios on a program's ability to achieve NASA strategic objectives. Some items that could be included in the report are program description, description of missing or surplus capabilities, information on unfunded requirements, analysis of the impact of PA&E defined funding scenarios, risk assessment of the various funding scenarios, discussion of alternatives considered but not taken, and description of the institutional and infrastructure impact on Centers based on increased or decreased resources. The PAA report will identify funding and FTE adjustments and rationales. CAMs also adjust the resource figures to reflect their proposed funding and FTE changes from the PRG. Program/project managers and Centers may also begin to establish agreements with service providers in this step. CAMs submit the PAA reports to PA&E for an initial review. The PAA process is depicted in Figure 3-4.
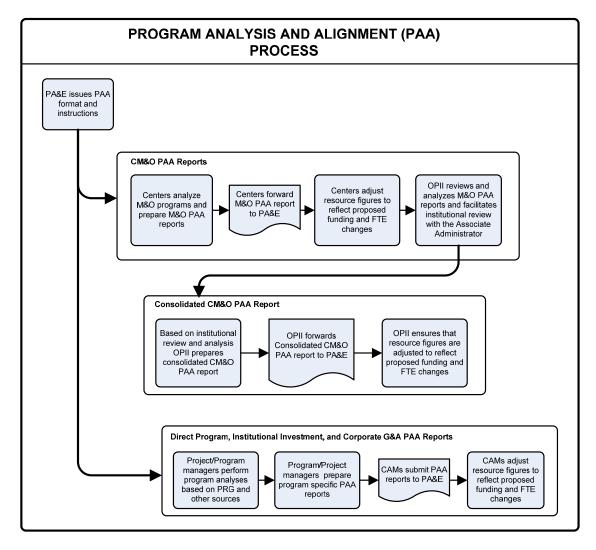

Figure 3-4, PAA Process

030409. Outcomes/Results. The result of this step is sufficient programmatic and institutional information for PA&E to analyze the achievement of published strategic objectives and whether management should consider funding or FTE increases or decreases. Issues needing a decision to establish the baseline program and content for the OMB Budget or issues that represent risk to the baseline plan or a future action will go into the Issue Book. Centers and Mission Support Offices will also use the PAA reports when developing their Institutional Infrastructure Analyses.

030410. Formats. The format for this report will be provided in the SPG.

0305 DETAILED DESCRIPTION OF THE INSTITUTIONAL INFRASTRUCTURE ANALYSES (IIA)

030501. Purpose. This is the step in the Programming Phase in which Centers and Mission Support Offices identify what can be accomplish and the support that can be provided to the technical and institutional programs/projects within the funding levels received based on their evaluation of the SPG, the PRG, and the program PAA report funding and FTE changes. Centers and Mission Support Offices determine the impact of the proposed PAA plans on their institutional base, workforce, and infrastructure, and compile the information and analyses in the IIA reports. They also identify any surplus or deficit capabilities and capacities, and identify the potential impact of funding reductions and/or any need for funding increases. The focus of this step is on FTE levels/workforce, service pool availability, procurement capability, and other institutional issues. Along with the institutional and programmatic PAA reports, the IIA reports provide cross-cutting assessments for evaluation of the agency's institutional infrastructure. IIA data is pre-decisional and for internal use only.

030502. Relationship to Other Steps. In this step the SPG, PRG, and PAA information is analyzed to determine impacts to Center and Headquarters institutional infrastructure that could affect the ability of the agency to achieve its strategic objectives and program goals. IIA reports inform PA&E about possible issues that need to be raised to the SMC through the Issues Book for decision before the Budgeting Phase begins.

030503. Policies, Regulations, Guidelines. This step is guided primarily by the SPG and the PRG. However, all NASA strategic management guidance is relevant. The step is focused on issues at the institutional and infrastructure program levels.

030504. Timeline. This step begins in mid-May and is completed in early June.

030505. Responsibilities.

A. Centers. Determine the level of support that can be provided, complete the IIA report in the designated format, and submit to OPII and PA&E. Estimate reimbursable FTE needs.

B.   CAMs. Provide information and support to Centers and Mission Support Offices as requested.

C.   Mission Support Offices. Review PAAs and perform cross-cutting analyses and develop IIAs, as needed

D.   OCFO-IMD. Assist the Centers and Mission Support Offices in development of the IIA reports.

E.   OPII. Review and analyze IIA reports. Ensure institutional integration across all Centers. Provide analysis results to PA&E.

F.   PA&E. Review the IIA reports and assist OPII in the analysis.

030506.   Inputs. The external inputs for this step are the SPG, PRG, and the program PAA reports. The internal inputs for this step are the details that Centers use to determine their institutional capacities and capabilities (FTE, skills/competencies, facilities, etc.). This information is generated throughout the year.

030507.   Outputs. The outputs from this step are completed IIA reports providing all of the requested analyses and information and discussion of institutional capabilities and capacities. In some instances, the IIA may also address technical capabilities and capacities. These reports will be used by OPII for the Program Review and possible input to the Issues Book.

030508.   Process. Centers and Mission Support Offices use the SPG, PRG, PAA reports, and information generated throughout the year to determine the level of support that can be provided with the funding levels and FTE identified in the PRG and PAAs. Centers and Mission Support Offices draft IIA reports which include a description of what can be accomplished and what support can be provided to programs/projects with the funding levels that they are receiving based on their evaluation of the PRG and the PAA proposed funding adjustments, surplus or deficit capabilities and capacities, unfunded requirements, the impact of PAA funding scenarios, and a risk assessment of the various funding scenarios. Centers and Mission Support Offices analyze the potential impact of changing programs/projects on support funding and FTE and the resulting potential impacts. Centers and Mission Support Offices estimate reimbursable FTE needs. Centers and Mission Support Offices submit completed IIA reports to OPII. The IIA process is depicted in Figure 3-5.

INSTITUTIONAL INFRASTRUCTURE ANALYSIS (IIA) PROCESS

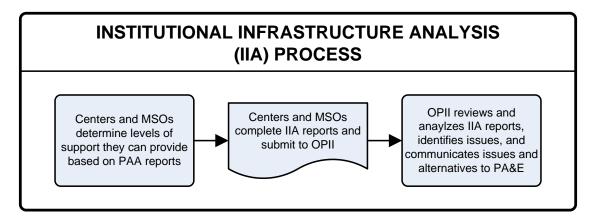|		
Centers and MSOs determine levels of support they can provide based on PAA reports	Centers and MSOs complete IIA reports and submit to OPII	OPII reviews and anaylzes IIA reports, identifies issues, and communicates issues and alternatives to PA&E

Figure 3-5, IIA Process

030509.   Outcomes/Results. The result of this step is sufficient information for OPII to analyze the institutional infrastructure funding and FTE requirements to achieve the strategic objectives of the agency and to determine whether management should consider any policy changes or funding and/or FTE increases or decreases. Critical issues identified during this step will go into the Issues Book.

030510.   Formats. The format for this report will be provided in the SPG.

0306   DETAILED DESCRIPTION OF THE PROGRAM REVIEW/ISSUES BOOK

030601.   Purpose. This is the step in the Programming Phase in which PA&E reviews and analyzes all of the PAA and IIA reports to:

A.   Ensure compliance with the SPG and the PRG;

B.   Ensure that programs can achieve NASA's strategic goals in the timeline indicated and with the resources identified;

C.   Balance the needs of the various Mission Directorates with resources available;

D.   Achieve strategic balance between programmatic and institutional needs;

E.   Balance the capabilities and capacities of the various Centers;

F.   Ensure that non-critical issues are resolved and documented;

G.   Identify critical issues that need to be brought to the SMC for decision.

Program Review/Issues Book data is pre-decisional and for internal use only.

    030602.   Relationship to Other Steps. This step reviews the information contained in the PAA and IIA reports to verify that all the relevant guidance has been considered and to identify the highest priority and/or most critical issues for SMC resolution, ultimately leading to development of the Program Decision Memorandum. It is also the step where resolution of non-critical issues identified in the PAA and IIA reports is facilitated by PA&E, working with the proper agency management.

    030603.   Policies, Regulations, Guidelines. The SPG and the PRG establish the baseline for compliance. However, all NASA strategic management guidance is relevant. IIA reports may address NASA-wide or Center-wide levels rather than program/project levels. PA&E will make informed decisions about whether program proposals from Mission Directorates, Mission Support Offices, Cross-cutting and Corporate Managers, and institutional infrastructure proposals from Centers and HQ are the "best" uses of available capabilities and capacities within expected resource levels. "Best" could refer to earned value management, return on investment, alignment with strategic goals, etc. Where CAMs have identified alternatives or trade-offs that they did not choose, PA&E will evaluate these alternatives or other trade-offs and possibly make recommendations to the SMC for resolution. In other cases, PA&E may have to directly identify potential alternatives or trade-offs between various CAMs.

    030604.   Timeline. This step begins when the Centers complete their M&O PAA reports in mid-April and moves ahead when the CAMs complete their PAA reports in mid-May. IIA reports are available in very early June. The Issues Book should be ready for CAM review and possible appeal by mid-June, with the final Issues Book ready for SMC decision by early to mid-July.

    030605.   Responsibilities.

        A.   CAMs.   Respond to PA&E/OCFO questions for clarification. Redo portions of PAA and/or IIA reports, as necessary based on PA&E direction. Review and comment on draft Issues Book. Assist in development of the Issues Book.

        B.   Mission Support Offices.   Assist PA&E analysis, especially on questions relating to the PRG or changes in funding levels proposed in the PAA or IIA reports.

        C.   OCFO-IMD and –RPD.   Assist PA&E analysis, especially on questions relating to the PRG or changes in funding levels proposed in the PAA or IIA reports. Provide the resource summary for inclusion in the Issues Book.

        D.   PA&E.   Analyze all information provided in the PAA and IIA reports. Clarify information in the PAA and IIA reports, as needed. Resolve non-critical issues through deliberations with the affected NASA organization(s) and Headquarters authorities and document decisions. Develop draft Issues Book and distribute it to OCFO

and CAMs for review and comment. Review resulting comments and develop final Issues Book.

   030606. <u>Inputs</u>. The inputs for this step are primarily the PAA and IIA reports and independent PA&E issue analyses. Other inputs will include analytic techniques and any recent guidance from the Office of Management and Budget. The draft Issues Book is an input to CAM review for possible appeals.

   030607. <u>Outputs</u>. The output from this step is the final Issues Book, identifying key issues for which decisions are needed from the SMC. For each issue, the Issues Book includes a narrative discussion and identifies resources, alternatives, impacts, recommendations, justifications, and appeals. Another output is the documentation of resolution of non-critical issues.

   030608. <u>Process</u>. PA&E reviews and analyzes the PAA and IIA reports to determine if CAM proposals are the "best" uses of available capabilities and capacities within expected resource levels. As needed, PA&E contacts CAMs for clarification, additional information, or for CAMs to perform additional analyses and provide information on a new funding scenario. PA&E compiles a list of issues after review of all PAA and IIA reports. All issues raised will be addressed in deliberations facilitated by PA&E between the affected NASA entities and Headquarters authorities. PA&E develops potential resolutions for non-critical issues, ensures that these issues are resolved, and ensures that appropriate adjustments are made to the resource figures, with documentation and rationales included. PA&E will facilitate resolution of non-critical issues as they emerge. PA&E ranks those issues identified as critical. Working with the CAMs, PA&E develops the draft Issues Book which includes a narrative discussion of each issue and identifies resources, alternatives, impacts, recommendations, and justifications. PA&E distributes the draft Issues Book to OCFO and CAMs for review and further input. CAMs submit input, comments, and/or appeals, as needed. PA&E revises the Issue Book to add details from submitted input, comments, and/or appeals and to reflect any other changes identified during this process. PA&E finalizes the Issues Book and presents it to the SMC for discussion and decision. Throughout this entire step, there is continuous communication among all parties. The Program Review/Issues Book process is depicted in Figure 3-6.
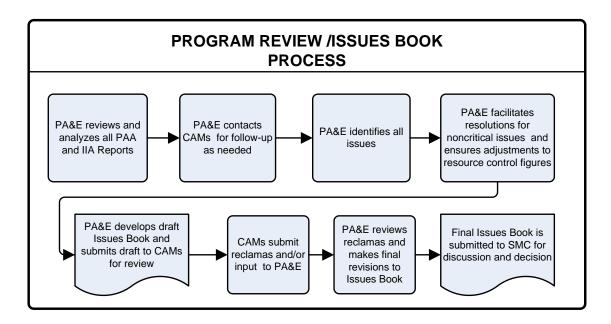
PROGRAM REVIEW /ISSUES BOOK PROCESS

| PA&E reviews and analyzes all PAA and IIA Reports | → | PA&E contacts CAMs for follow-up as needed | → | PA&E identifies all issues | → | PA&E facilitates resolutions for noncritical issues and ensures adjustments to resource control figures |

| PA&E develops draft Issues Book and submits draft to CAMs for review | → | CAMs submit reclamas and/or input to PA&E | → | PA&E reviews reclamas and makes final revisions to Issues Book | → | Final Issues Book is submitted to SMC for discussion and decision |

Figure 3-6, Program Review/Issues Book Process

030609.   Outcomes/Results. The result of this step is analysis of NASA's programs and creation of the Issues Book which clearly identifies for the SMC the issues that have been identified and resolved and the critical few issues that must be decided prior to preparing and issuing the Program Decision Memorandum. The critical few issues must include alternatives, impacts, recommendations, justifications, and CAM appeals. The critical few issues are those that cannot be resolved by PA&E, working with the proper agency management, and that:

A.   Create non-compliance with the SPG goals, e.g., inability to meet a major deadline or milestone;

B.   Create a major impact on a Center, e.g., reduction-in-force, closure of facilities;

C.   Terminate a program/project; or

D.   Involve other factors that PA&E determines as criteria for criticality.

Another result is that PA&E facilitates the resolution of non-critical issues and the subsequent update of funding and FTE adjustments to the resource figures.

030610.   Formats. The specific format for the Issues Book is designed by PA&E. However, the Program Review/Issues Book should include:

A.   Multi-year resource summaries

    B. Highlights of changes since the last President's Budget

      1. PA&E recommended realignments

      2. Changes to programs and institutional aspects

    C. Issues identified

    D. Performances measures

    E. Characterization of trade space for issues resolution

      1. Alternatives

      2. Impact of alternatives (political, policy, etc.)

    F. PA&E recommendations

    G. Dissenting views

    H. Remaining threats that could change top-line profiles and issues posture

0307 DETAILED DESCRIPTION OF THE PROGRAM DECISION MEMORANDUM (PDM)

    030701. Purpose. This step documents all of the Programming Phase decisions made to establish resource levels and FTE control totals for subsequent development of the budget. It is required to ensure that all parties in the Budgeting Phase clearly understand the decisions made and the control totals established.   PDM data is pre-decisional and for internal use only.

    030702. Relationship to Other Steps. This step flows from the SMC decisions on the Issues Book. PDMs document SMC decisions as well as resolution of non-critical issues and CAM adjustments to the PRG resource figures. Each PDM is documented into the resource control totals in the Programmatic and Institutional Guidance step and becomes the basis for development of the OMB Budget submission.

    030703. Policies, Regulations, Guidelines. The NASA Strategic Management and Governance Handbook is the primary policy guideline driving this step, augmented by the SPG. However, because the SMC represents the NASA leadership team, including the Administrator, it is basically in a position to make policy and adjustments outside of any of these guidelines. In the final analysis, the NASA resource request to OMB must represent the views and decisions of the Administrator.

030704.   Timeline. The SMC makes decisions on the Issues Book in mid-July. Resolution on non-critical decisions occurs before the Issue Book is submitted to the SMC. As soon as decisions are made, PA&E ensures that the documentation is updated and that PDM documents are prepared for SMC approval. While the Issues Book includes some resource summaries, PDMs are the SMC's final opportunity to review all of the high level resource and performance summaries prior to the start of the Budgeting Phase. All PDMs should be issued by late July to allow the Budgeting Phase to begin and to allow sufficient time for development of the OMB Budget submission due in early September.

030705.   Responsibilities.

A.   CAMs. Ensure full understanding of PDM documentation.

B.   OCFO-RPD. Provide resource summaries for the PDMs.

C.   Operations Management Council (OMC). Review and analyze PAA and IIA reports.

D.   PA&E. Prepare PDM documentation and disseminate final approved PDMs.

E.   SMC. Make decisions on issues presented in the Issues Book and approve the final PDMs.

030706.   Inputs. The inputs for PDMs are the decisions by the SMC on the Issues Book and resolution of non-critical issues and adjustments by CAMs to the PRG. The SPG and the PRG are also inputs, in that they established the base from which Programming Phase decisions have been made.

030707.   Outputs. The outputs of this step are the PDM documents. The PDM documents identify all SMC decisions on the Issues Book, along with a brief rationale to provide clarity to the readers. The PDMs will provide resource and performance guidance for the Budget Year plus 4 Outyears.

030708.   Process. The OMC reviews institutional issues, and the SMC makes decisions on critical program issues based on the Issues Book analyses and subsequent discussion and approves the resolution of non-critical issues. PA&E then drafts the PDMs, which include control totals resulting from resolution of non-critical issues and resource summaries from OCFO-RPD, SMC decisions on critical issues, and a brief rationale to provide clarity to readers. The draft PDMs are presented to the SMC for approval. If required by the SMC, PA&E makes revisions to the PDMs. The SMC approves the PDMs, and PA&E distributes the PDMs to OCFO and CAMs. In the event that there is a revision to a PDM, a change will be issued that details the updated decision and rationale. The PDM process is depicted in Figure 3-7.
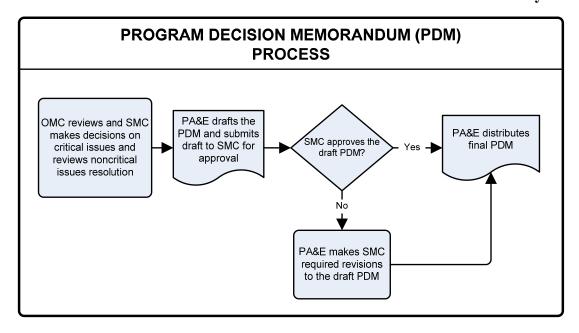
Figure 3-7, PDM Process

030709. Outcomes/Results. The result of this step is publication of documents that represent the controls that will guide development of the Programmatic and Institutional Guidance and OMB Budget submission. At the conclusion of this step, all decisions made in the Programming Phase are known and understood by all of the parties in the subsequent Budgeting Phase. Resource control totals, which will ultimately be reflected in the OMB Budget Submission, are established. The PDM is designed to preclude the need to subsequently interpret or revisit decisions once made. Programmatic and institutional issues that have not been identified and resolved during in the PDM will wait until the next budget cycle for disposition.

030710. Formats. PA&E will design the format of the PDM to allow for explicit identification of SMC decisions (and rationales) on critical issues and resolution of non-critical issues.   The documentation should identify the PRG base, CAM adjustments, resolution of non-critical issues, SMC decisions, and final control totals.

0308 DETAILED DESCRIPTION OF THE PROGRAMMATIC AND INSTITUTIONAL GUIDANCE (PAIG)

030801. Purpose. This is the step in which CAMs allocate resources to reflect the decisions made in the PDM document. These allocations are at the project level detail necessary for Centers to begin formulating the NASA full cost budget. PAIG data is pre-decisional and for internal use only.

030802. Relationship to Other Steps. This is the step in which the strategic decisions documented in the PDM are translated into base information for the Budgeting Phase of the PPBE process. From this PAIG base information, Centers will be able to

initiate development of the OMB Budget submission. CAMs cannot create "new" guidance or re-visit decisions in this step.

030803.   Policies, Regulations, Guidelines. CAMs will be guided primarily by the PDM document and resources documentation. All NASA strategic management guidance is relevant.

030804.   Timeline. This step begins after issuance of the Issues Book in mid-June. It is completed in late July after publication of the PDM to allow Centers and CAMs time to begin development of the budget details.

030805.   Responsibilities.

A.   CAMs. Allocate programmatic and institutional PDM decisions into the resource control figures by direct project by Center and direct FTE by project by Center.

B.   OCFO-RPD. Ensure that CAM allocations comply or reconcile with total resource control totals in the PDM. Distribute the new resource control figures to the Centers.

C.   OPII. Ensure that CM&O allocations comply or reconcile with CM&O resource control totals.

D.   PA&E. Ensure that CAM allocations comply with programmatic decisions in the PDM.

030806.   Inputs. The inputs for the PAIG are the PDM decisions and the associated resources documentation reflecting the results of those decisions. To some extent, the SPG and the PAA and IIA reports also impact this step.

030807.   Outputs. The output of this step is a clear identification of project level financial, FTE, and performance information for the Budget Year plus 4 Outyears. The outputs are generated by the CAMs and then disseminated by the OCFO.

030808.   Process. The CAMs take the PDM documentation and determine necessary allocations to the resource control totals to reflect direct project by Center funding and direct FTE by project by Center. Funding is stated in dollars in millions with three decimal places, and FTE is stated in tenths (one decimal place). OCFO and PA&E ensure that the CAM allocations comply or reconcile with the PDM. Once the CAMs are finished with their allocations, OCFO-RPD makes the new resource control figures available to the Centers to begin the next step. No additional funding is created in this step, but there can be additional narrative guidance to assist CAMs in planning and making adjustments based on the PDM decisions. The PAIG process is depicted in Figure 3-8.
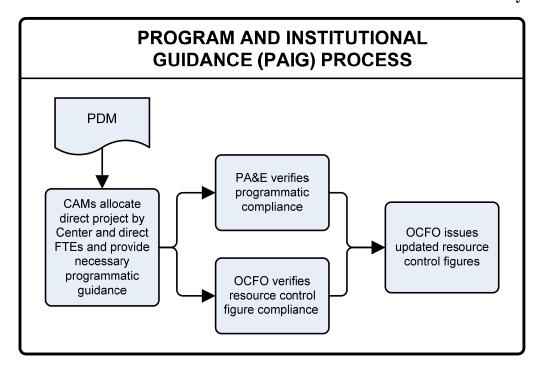
PROGRAM AND INSTITUTIONAL GUIDANCE (PAIG) PROCESS

Figure 3-8, PAIG Process

030809.   Outcomes/Results.   The result of this step is the information needed for subsequent development of full cost budget data by the Centers. Centers will take the project level data and distribute it by direct costs and service pools, including cost elements. They will also allocate CM&O funding and FTE to appropriate levels.

030810.   Formats. The formats for the PDM and adjusting resource figures were established in earlier steps.

0309   DETAILED DESCRIPTION OF THE OMB BUDGET

030901.   Purpose.   In this step, the CAMs develop the OMB Budget submission under the guidance of the OCFO. This is the first step in the PPBE process in which the product is distributed outside of NASA. However, it is still pre-decisional data and is provided to OMB only. It is also the step in which the planning/programming information is converted into the full array of budget data.   The OCFO and PA&E evaluate the submission to confirm alignment with the agency strategic objectives and to ensure that the proposed budget is compliant with the PDMs and OMB Circular No. A-11, and that it is well-justified, executable, and defensible.

030902.   Relationship to Other Steps.   This is the step in which the project/institutional specific budget guidance from the PDM and PAIG is used by the Centers to develop the full cost detail for the OMB Budget submission. In many ways, all of the previous steps feed into this step to ensure that the budget submission accurately reflects the strategies and programs/projects of the agency. The OMB Budget

submission is subsequently modified, as necessary, based on the OMB passback and agency appeal to form the basis for the President's Budget and the IBPD.

030903.   Policies, Regulations, Guidelines. Mission Directorates, Mission Support Offices, and Centers are guided by the SPG and decisions reflected in the PDM and the resources documentation. All NASA strategic management guidance is relevant. Additionally, the agency full cost policy, covered in FMR Volume 7, *Cost*, drives presentation of the budget materials. OMB Circular No. A-11 establishes the policies, procedures, and guidelines for presentation of the budget data.

030904.   Timeline. This step begins in late July after completion of the PAIG. It is typically completed in early September, to meet the traditional OMB deadline.

030905.   Responsibilities.

A.   Centers. Develop full cost distribution of PDM control totals by direct project and Center service pools by cost elements. Distribute CM&O by cost elements. Enter data into the budgeting database.

B.   Mission Directorates. Review Center full cost distributions to ensure compliance with the PDM and PAIG. Make needed adjustments to FTE within a Center, ensuring all adjustments net to zero FTE within a Center. Develop narrative justifications for projects in accordance with OCFO instructions.

C.   Mission Support Offices. Develop distributions of PDM control totals by cost elements and submit to OCFO.

D.   OCFO-RPD. Prepare and distribute instructions for development of the OMB Budget submission to Mission Directorates and Mission Support Offices. Review budget input and ensure that budget submissions comply with PDM control totals and Mission Directorate adjustments net to zero changes to individual Center FTE.

E.   PA&E. Evaluate budget submissions and Mission Directorate adjustments for compliance with the programmatic aspects of the PDMs.

030906.   Inputs. The inputs for the OMB Budget step are the PDMs and the resources documentation reflecting the results of the PDM decisions. To some extent, the SPG and the PAA and IIA reports also impact on this step.

030907.   Outputs. The outputs of this step are the OMB Budget submission and the revised resources documentation which clearly identifies full cost project level financial, FTE, and performance information for the Budget Year plus 4 Outyears. The outputs are documented in the budgeting database by Centers and Mission Support Offices with modification by the Mission Directorates and the OCFO as needed. Narrative justifications supporting the budget request are also an output of this step.

         030908.   Process.   The Centers and Mission Support Offices receive the PDMs from PA&E along with the PAIG and guidance for development of the OMB Budget submission from the OCFO-RPD. Centers and Mission Support Offices prepare the initial OMB budget submission data using the PDM, accompanying guidance, and the agency Full Cost Policy Guidance. Center institutional staffs are assisted by program/project managers as needed. Centers and Mission Support Offices convert the direct project level funding in the resource control figures into full cost data in the budget database system during this step. Centers and Mission Support Offices submit the OMB Budget submission data to the OCFO-RPD who makes it available to the Mission Directorates. The Mission Directorates analyze the Centers' data to ensure compliance with the PDM and PAIG, make any needed changes accompanied by narrative justifications for those changes, and draft programmatic narrative justifications as needed. Mission Directorate changes net to zero FTE within any Center, and funding adjustments are minor. Mission Directorates submit the OMB Budget submission data to the OCFO-RPD. PA&E and OCFO-RPD evaluate the submission to confirm alignment with the agency strategic objectives and the PDM and to ensure that the proposed budget is compliant with OMB Circular No. A-11, well justified, executable, and defensible. OCFO submits the budget to OMB. The OMB Budget process is depicted in Figure 3-9.
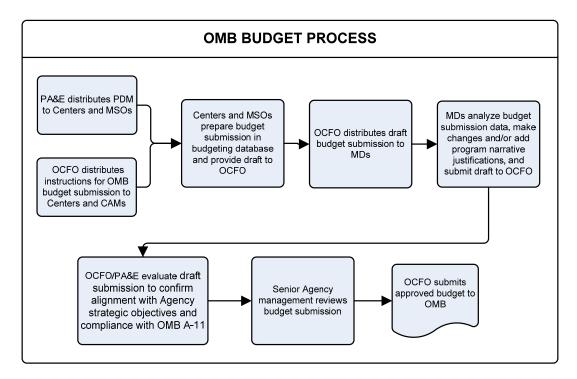

Figure 3-9, OMB Budget Process

         030909.   Outcomes/Results.   The result of this step is development of the OMB Budget. The OMB Budget submission includes the full cost budget data provided by the Centers and Mission Support Offices and modified as needed by the Mission Directorates and the OCFO to achieve a well-justified, executable, and defensible budget submission that supports the agency strategic objectives

030910.   Formats. The OCFO-RPD is responsible for designing the format and structure of the budget submission based on OMB Circular No. A-11.

0310   DETAILED DESCRIPTION OF THE PRESIDENT'S BUDGET

031001.   Purpose. In this step, OCFO and PA&E respond to OMB questions on the budget submission, coordinate hearings with Mission Directorates, receive and respond to passback, and work appeals and settlement, then OCFO manages the development of input to the President's Budget documents and assembles the IBPD. The IBPD represents NASA's share of the total Federal budget request and the detailed schedules required by the Congressional Appropriations Committees.

031002.   Relationship to Other Steps.   This is the step where NASA negotiates with OMB on the resource and performance levels and policies proposed in NASA's OMB Budget submission. After coming to agreement, NASA provides input to the various President's Budget documents based on final settlement decisions and prepares the IBPD. These documents are inputs to the Appropriation step, during which the Congress drafts and passes and the President signs the appropriations bill.

031003.   Policies, Regulations, Guidelines. OCFO leads development of the President's Budget in accordance with the requirements of Title 31, U.S.C.. OMB Circular No. A-11 establishes the policies, procedures, and guidelines for presentation of budget data in the President's Budget. Congressional Appropriations Committees dictate the format of the IBPD.

031004.   Timeline. This step formally begins in September immediately following the OMB Budget submission and ends with Administrator and other senior leadership briefings to Congress on the IBPD after formal release of the President's Budget to Congress on the first Monday in February. Development of general information on specific programs and projects may begin prior to September.

031005.   Responsibilities.

A.   Centers.   Provide input as required by OCFO to the President's Budget documents and IBPD. Recalculate resource and performance levels and develop narrative changes to correspond to changes negotiated between NASA and OMB.

B.   Mission Directorates. Provide input as required by OCFO to the President's Budget documents and IBPD. Recalculate resource and performance levels and develop narrative changes to correspond to changes negotiated between NASA and OMB.

C.   Mission Support Offices. Provide input as required by OCFO to the President's Budget documents and IBPD. Recalculate resource and performance

levels and develop narrative changes to correspond to changes negotiated between NASA and OMB.

        D.   OCFO-IMD.   Coordinate development and submission of the institutional budget inputs (CM&O, Corporate G&A, and Institutional Investments). Ensure submissions are in compliance with agency policy and senior leadership decisions.

        E.   OCFO-RPD. Coordinate NASA budget hearings with OMB and ensure all OMB questions and issues are addressed. Maintain resource control totals for the President's Budget submission. Provide formats and instructions to Mission Directorates, Mission Support Offices, and Centers for the preparation of input to the President's Budget documents, the OMB MAX budget information system, and the IBPD. Oversee development and compilation of the IBPD. Ensure that the resource and performance levels used for input to the President's Budget documents and the IBPD correspond to levels agreed to by NASA and OMB and that the resources requested correspond to the narrative justifications through the clearinghouse process. Ensure MAX input and galley development are complete and consistent with other data. Jointly with PA&E, prepare budget rollout materials. Work with PA&E in response to passback through appeals and settlement.

        F.   Office of Legislative Affairs. Serve as the primary contact with Congressional committees. Distribute IBPD and other budget documents to Congressional committees and staffs. Manage agency presentation and defense of budget before Congress, including development of testimony and hearing records, briefing materials, correspondence with Congress, and response to questions.

        G.   PA&E. Serve as the primary contact with OMB. Prepare appeal letters on issues approved by the Administrator. Take the lead role in preparing appeal responses to OMB and in preparing material in support of negotiations (meetings leading to settlement). Ensure that the President's Budget input and the IBPD correspond to agreed NASA and Administration policies and strategic decisions through the clearinghouse process. Assist OCFO with the Administrator's budget statement and press conference information. Jointly with OCFO, prepare budget rollout materials.

     031006.   Inputs. The inputs for this step are the OMB Budget submission, the OMB passback, and the final decisions and agreements between NASA and OMB.

     031007.   Outputs. The outputs of this step are any OMB briefing materials used during the passback discussions, any supporting justification materials required by OMB during the passback discussions, data input to the MAX system, and the IBPD.

     031008.   Process.   NASA provides briefings to OMB staff and any additional supporting justification requested during OMB's analysis of NASA's initial budget submission. PA&E, with OCFO support, responds to OMB questions concerning policies and resource and performance levels. OMB staff presents options for final

decision in the OMB Director's Review and develops the passback and guidance on the appeals process, which are typically released to agencies in late November. OCFO and PA&E staff review the passback, involving Mission Directorates and Mission Support Offices, as appropriate, brief the SMC, and make recommendations to the Administrator on whether to accept or appeal OMB's decisions. If the Administrator approves an appeal, PA&E develops the appeal letter and sends it to OMB. An iterative process ensues until NASA and OMB agree on resource levels and the appeal reaches settlement. OCFO-RPD then issues instructions to Mission Directorates, Mission Support Offices, and Centers to update the OMB Budget submission to reflect the new resource and performance levels. This includes input to the President's Budget documents and galleys, input into the MAX system, and the IBPD. When development of the IBPD is complete and approved internally at NASA, OCFO submits it to OMB for final review and approval, before publication. On the first Monday in February, OMB formally releases the President's Budget and the NASA Administrator conducts a press conference to discuss the NASA budget request. Subsequently, working with Office of Legislative Affairs, NASA staff briefs Congressional committee staffs and provides them with copies of the IBPD. The President's Budget process is depicted in Figure 3-10.
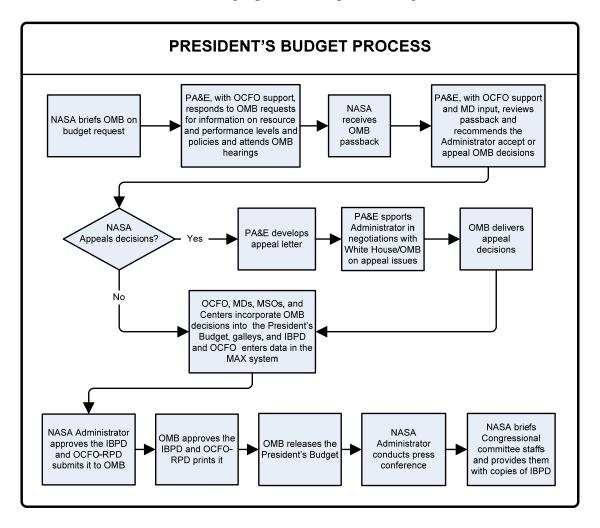

Figure 3-10, President's Budget Process

031009.   Outcomes/Results.   The result of this step is the starting information, justifications, and other details for use by Congress in determining the resource levels to be subsequently appropriated for NASA.

031010.   Formats. The OCFO-RPD is responsible for designing the format and structure of the IBPD within OMB and Congressional guidelines and for communicating to NASA the formats to be used for input to the President's Budget and for Congressional review.

0311   DETAILED DESCRIPTIONS OF THE APPROPRIATION

031101.   Purpose. In this step, NASA presents and defends the President's Budget and monitors Congressional progress in developing the NASA appropriation in response to the President's Budget. During this step, NASA also attempts to understand the guidance that Congress includes in committee reports and statutes related to Congressional intent with regard to funding provided by Congress. NASA prepares for changes to the President's Budget when those seem likely.

031102.   Relationship to Other Steps. This step builds on the President's Budget, the official request to Congress for resources for the budget year. It leads to the Execution phase of PPBE, including the development of operating plans, the subsequent obligation and expensing of funds, and the achievement of performance goals.

031103.   Policies, Regulations, Guidelines.   OMB Circular No. A-11 provides guidance regarding executive branch agency support for the President's Budget during Congressional consideration.

031104.   Timeline.   This step begins when the President's Budget is released on the first Monday in February. It ends when Congress passes and the President signs the appropriation bills, theoretically before October 1.

031105.   Responsibilities.

A.   CAMS. Provide input to testimony and other support as required.

B.   Centers. Provide input to testimony and other support as required.

C.   Mission Directorates. Provide input to testimony and other support as required.

D.   Mission Support Offices.   Provide input to testimony and other support as required.

E.   OCFO-IMD and -RPD.   Provide input to testimony and other support as required.   Monitor Congressional action and initiate the development of alternatives based on probable Congressional action on resource levels or guidance.

F.   Office of Legislative Affairs.   Coordinate testimony by the Administrator and others that may be requested by the Authorization or Appropriations Committees.   Coordinate preparation of responses to Committee questions.   Assist Committee staff in preparing for markup of budget request and in addressing amendments during floor consideration of bill.   Provide information to Committee staff as to agency budget priorities during Appropriations Conference activity.

G.   PA&E. Provide input to testimony and other support as required.

H.   SMC. Review OCFO/PA&E analysis of OMB decisions.

031106.   Inputs.   The inputs for this step are the President's Budget, the IBPD, the Administrator's testimony, and responses to Congressional questions.

031107.   Outputs.   The outputs of this step are appropriations bills containing the resources needed for NASA operations and statutory and committee report guidelines.

031108.   Process.   After OMB releases the President's Budget, the NASA Administrator testifies on the submitted budget before Congressional Committees, typically the Authorization Committees first and then the Appropriations Subcommittees. After this testimony, the Committees/Subcommittees forward questions to NASA, which require a formal response.   NASA staff prepares the responses, coordinates them with OMB, and returns them to the Committees/Subcommittees. After NASA responses are submitted, the House Appropriations Subcommittee prepares a mark-up of the appropriation bills and passes them.   Subsequently, the full House Appropriations Committee and then the full House take up the bill and pass a version.   The Senate Appropriations Subcommittee, the Senate Appropriations Committee, and the full Senate go through a similar process.   After the House and Senate have both passed their versions of the appropriations bills, a Conference Committee convenes to resolve differences and craft a conference bill that is subsequently passed by both the House and Senate and sent to the President.   Throughout these proceedings, NASA staff monitors the status of NASA's appropriations.   When the House or Senate Subcommittees, Committees, or Conference Committee identify resource levels or policy guidance different from that proposed by the President, NASA staff develops options for implementing the differences.   NASA may also provide input to OMB for a Statement of Administration Policy when OMB differs sharply with the position taken by the Congress.   Once the House and Senate have reached agreement and passed the appropriations bills, they are sent to the President to sign into law.   If Congress is unable to pass the regular appropriations bills by October 1, they typically pass a continuing resolution that allows the Government to remain operational for a specific length of time.   More than one continuing resolution may be passed.   NASA staff monitors the wording of the

continuing resolution and recommends wording to OMB if there are needs that must be met early in the fiscal year that are beyond the limits of this bill. NASA staff also makes preparations to continue operations under the continuing resolution. The Appropriation process is depicted in Figure 3-11.
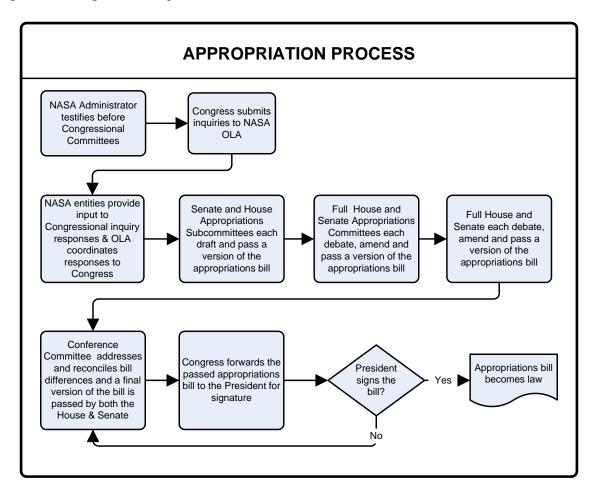
APPROPRIATION PROCESS

NASA Administrator testifies before Congressional Committees → Congress submits inquiries to NASA OLA

NASA entities provide input to Congressional inquiry responses & OLA coordinates responses to Congress → Senate and House Appropriations Subcommittees each draft and pass a version of the appropriations bill → Full House and Senate Appropriations Committees each debate, amend and pass a version of the appropriations bill → Full House and Senate each debate, amend and pass a version of the appropriations bill

Conference Committee addresses and reconciles bill differences and a final version of the bill is passed by both the House & Senate → Congress forwards the passed appropriations bill to the President for signature → President signs the bill? — Yes → Appropriations bill becomes law

No

Figure 3-11, Appropriation Process

031109.   Outcome/Result. NASA has the resources and guidance necessary to operate its programs and achieve its strategic goals and objectives during the fiscal year.

031110.   Formats. OLA provides instructions on formats for responses to Congressional requests for additional information.