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Program Optimization & Budget Execution (PROBE) Improvements

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EXECUTIVE SUMMARY

The Army uses the Program Optimization and Budget Execution (PROBE) data management system to document its position in the Planning, Programming, Budgeting, and Execution System (PPBES). Although PROBE includes PPBES data, significant improvements could be made in three main areas.

First, the MDEP (Management Decision Packages) Profiles system needs to be integrated into the PROBE data base so that Requirements, Guidance, MACOM Look, and Analysis are documented.

Second, manpower information can be improved by: (1) synchronizing the Structure and Manpower Allocation System (SAMAS) and Civilian Manpower Obligations Resources (CMORE) with the PROBE dollars in the same Working Files, (2) ensuring civilian pay calculations are covered by sufficient resources to pay civilian salaries, and (3) cross-referencing civilian pay reimbursements to reimbursable destinations.

Third, the Long Range Research, Development, and Acquisition Plan (LRRDAP) and new equipment procurement dollars need to include: (1) linkage to related appropriations (Operations and Maintenance Army (OMA), Military Construction Army, etc.); (2) full funding of Operating Tempo (OPTEMPO) first-year sustainment costs for new equipment fieldings; and (3) Program Element rather than project code information in PROBE.

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Commands; analysis of funding shortfalls; synchronization and utilization of manpower information; and linkage of new equipment procurements to other appropriations. These missing elements are essential for improving the Army's ability to justify and explain its requirements. Including this missing information will assist the Army in preventing excessive cuts in the future. First, PROBE needs to integrate four elements of information found in MDEP Profiles.

MDEP Profiles:

The Army could improve the PROBE database by adding information from the MDEP Profiles. Specifically, PROBE should include Requirements, Guidance, Analysis, and Major Army Command (MACOM) Assessment for each program. MDEP Profiles is not available outside of the Program Evaluation Groups (PEGs), and not all PEGs use MDEP Profiles. As a result, MACOMs, the Army Budget Office, and others who review PROBE data prior to making budget changes are currently not fully aware of critical information considered by programmers. Consequently, decisions are frequently made without the benefit of this information.

A critical element contained in MDEP Profiles is the Requirements. Including requirements in PROBE by MDEP, Program Element (PE), and year would enable the Army to: (1) track total program requirements and shortfalls, (2) identify specific unfinanced requirements, and (3) determine and articulate the full Army-wide shortfall of validated and essential unfinanced requirements. Currently, MDEP Profiles Requirements are calculated only by MDEP and year. Consequently, the Army does

not know the requirements by Program Element, which is used in the budget formulation, justification, and execution processes. Knowledge of validated requirements by PE would assist in budget formulation and justification.

Another element contained in MDEP Profiles is Guidance. Currently, the only narrative information contained in PROBE is the MDEP Description. The Guidance in MDEP Profiles should contain Army Leadership decisions, Program Decision Memoranda (PDMs), Program Budget Decisions (PBDs), and Congressional Language in Authorization and Appropriation Bills that affect the program. This guidance is critical in budget formulation to ensure previous decisions are considered, in budget justification to prepare for potential problems, and in budget execution to comply with laws, guidance, and directives.

MACOM Look is also contained in MDEP Profiles. This profile gives a MACOM perspective on the funding status for each program. Although the Directorate of Programming, Analysis, and Evaluation (DPA&E) has a section devoted to performing Command Analysis of the entire Army Program, this analysis is not formally documented in PROBE or MDEP Profiles. As a result, there is no Army Staff assessment of MACOM funding in PROBE.

Analysis is another element contained in MDEP Profiles. PROBE does not contain any analysis, only a description narrative of the MDEP in the MDEP Dictionary Report. Analysis is critical to provide information on the unfinanced requirements, possibilities for future savings, and the impacts of future cuts.

The analysis can also be used to note resource problems with other areas such as manpower.

Manpower:

There are three ways the Army can improve the PROBE database regarding manpower information. First, during the Program Objective Memorandum (POM), Working Files with manpower spaces and PROBE dollar positions need to be synchronized with the PROBE database. Second, PEGs need to use civilian pay calculations to ensure there are sufficient funds in the program to pay civilian salaries. Third, civilian pay reimbursable sources need to be cross-referenced to reimbursable destinations.

As stated, manpower and PROBE dollar positions are not always aligned in the PROBE database Working Files. Decisions on manpower and dollars are made separately using different databases. PROBE manpower information is derived from two other databases: Structure and Manpower Allocation System (SAMAS) and Civilian Manpower Obligations Resources (CMORE). The current problem is that these two systems are not always synchronized with the PROBE dollar position in the Working Files. Once synchronized, PROBE Working Files can then be used to conduct meaningful manpower analysis. This will provide user-friendly civilian manpower and dollar information and reduce the likelihood of making incorrect manpower decisions.

The PEGs need to use civilian pay calculations to ascertain if there is sufficient funding to cover civilian salaries. If funding is insufficient, then program managers and PEGs need to

determine if civilian spaces should be cut or additional funding provided to ensure that program resources are sufficient.

Civilian pay reimbursements are currently shown in PROBE. However, PROBE does not show where these reimbursements are going. This information is critical in determining if sufficient MDEP resources are available to cover civilian pay. An Army Working Group is meeting to solve this problem. However, the Working Group is not considering providing MDEP level of detail for reimbursements. Without knowing if reimbursement is provided at the MDEP level, program managers cannot properly determine if MDEP resources will cover civilian pay.

New Equipment:

There are also three ways that the Army can improve the PROBE database regarding the Long Range Research, Development, and Acquisition Plan (LRRDAP) and the new equipment procurements. First, new equipment procurements have Operation and Maintenance Army (OMA), Military Construction Army (MCA), and other appropriations which must be aligned with the new equipment procurements. However, there is no automated funding link for these appropriation tails with the procurements in the PROBE database. Second, sustainment funding for new equipment in the first fielding year needs to be properly captured in Operating Tempo (OPTEMPO) and the PROBE database. Third, new equipment procurement cost projections need to be input into PROBE using Program Elements, not project numbers.

New equipment procurements are purchased with Other Procurement Army (OPA) dollars. When fielding new equipment,

other appropriations are sometimes needed, such as OMA for maintenance costs of the new equipment and MCA for new buildings to house the new equipment. However, there is no automated funding linkage in the PROBE database for the appropriation tails (OMA and MCA) tied to the procurement of the new equipment. As a result, the other appropriation tails are not always adjusted when the new equipment fieldings are slipped or accelerated.

Sustainment funding for the new equipment in the first year of fielding is not properly captured in OPTEMPO or the PROBE database. Until the FY96-01 POM, PROBE captured the first year sustainment costs under new equipment fielding costs. OPTEMPO then captured all years except first year sustainment costs. Beginning with the FY96-01 POM, all sustainment costs, including the first year, were captured in OPTEMPO. However, OPTEMPO faces the same challenge as the new equipment fielding cost model. The challenge is to determine the cost of sustaining new equipment for which there is no historical cost data. Although the OPTEMPO model is better than the new equipment fielding cost models to develop cost estimates, more needs to be done. New equipment sustainment requirements need to be validated and fully funded, as is done for already fielded OPTEMPO equipment.

New equipment procurement costs are often reflected in PROBE with project numbers rather than Program Elements. Project numbers do not give Program Element visibility. Consistent Program Element visibility would ensure that accurate costing and accounting exists for each new system and provide valuable information to formulate and justify budgets.

CONCLUSION

The PROBE changes discussed in this paper include integration of MDEP Profiles information; synchronization, use, and cross-referencing of manpower data; and new equipment documentation improvements.

MDEP Profiles data needs to be integrated into PROBE to provide critical information currently not available to the Army Staff and MACOMs. Specifically, MDEP Profiles contain the following information which should be made available to the Army Staff and MACOMs: the Army Staff validated Requirements; Guidance from the Chief of Staff and other leaders as well as PDMs, PBDs, Congressional Language and other decisions; MACOM Look with funding assessment by MACOM; and Analysis containing information on unfinanced requirements and the impact of additional cuts.

Also, manpower improvements to PROBE would assist decision makers by compiling currently fragmented manpower information. These manpower improvements include synchronizing the data of the two major manpower computer programs (SAMAS and CMORE), fully utilizing the available civilian pay information to ensure that sufficient funds are available to cover civilian salaries, and cross-referencing civilian pay reimbursements to the program where the reimbursement is provided.

Finally, new equipment integration into PROBE and the PPBES process is essential to accurately capture new equipment costs to ensure adequate funding is provided when needed. Three examples where this can be improved are: OMA, MCA, and other

appropriation tails need to be linked to new equipment fieldings; new equipment sustainment costs in the first year need to be fully resourced in OPTEMPO; and the Program Element instead of just a project code needs to be entered into the PROBE database. These changes will make PROBE more meaningful, timely, and responsive to users and decision makers.

RECOMMENDATIONS

Recommend the Director of Program, Analysis, and Evaluation:

Incorporate a download capability from MDEP Profiles into the PROBE database so that PROBE can begin to document the following information: Requirements, Guidance, MACOM Look, and Analysis.

Direct manpower information loaded from SAMAS and CMORE be synchronized so that PROBE dollars are costed to the same manpower and civilian pay position, ensure civilian pay calculations are covered by sufficient resources to pay civilian salaries, and cross-reference civilian pay reimbursements to track reimbursement destinations.

Require that new equipment procurement dollars include: linkage to OMA, MCA, and other tails; sustainment funding for the first year of new equipment fieldings to be fully funded under OPTEMPO; and Program Element information rather than project codes.

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