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Intelligence Planning, Programming, Budgeting, and Evaluation (IPPBE) Process

The statutory elements of the Intelligence Community (IC) use the Intelligence Planning, Programming, Budgeting, and Evaluation (IPPBE) process to identify requirements and allocate resources that develop and maintain IC capabilities through development and execution of the National Intelligence Program (NIP) budget. The NIP is intended to support priorities described in national intelligence-related strategy documents such as the National Intelligence Strategy (NIS) and Consolidated Intelligence Guidance (CIG). The IPPBE process also supports the participation of the Director of National Intelligence (DNI) in the development of the Military Intelligence Program (MIP).

IC Directive 116, *Intelligence Planning, Programming, Budgeting, and Evaluation System* provides guidance for the IPPBE process. The IPPBE process applies to all 18 IC components (listed below).

Statutory IC Elements (50 U.S.C. §3003)

DOD Components:

- National Security Agency (NSA)
- National Geospatial-Intelligence Agency (NGA)
- National Reconnaissance Office (NRO)
- Defense Intelligence Agency (DIA)
- U.S. Army Intelligence (G2)
- U.S. Navy Intelligence (N2)
- U.S. Air Force Intelligence (AF/A2)
- U.S. Marine Corps Intelligence (MCISR-E)
- U.S. Space Force Intelligence (S-2)

Non-DOD Components:

- Office of the Director of National Intelligence (ODNI)
- Central Intelligence Agency (CIA)
- Department of Energy (DOE): Office of Intelligence and Counter-Intelligence (I&CI)
- Department of Homeland Security (DHS): Office of Intelligence and Analysis (I&A); and U.S. Coast Guard Intelligence (CG-2)
- Department of Justice (DOJ): Drug Enforcement Administration Office of National Security Intelligence (DEA/ONSI); and Federal Bureau of Investigation's Intelligence Branch (FBI/IB)
- Department of State (DOS): Bureau of Intelligence and Research (INR)
- Department of the Treasury (Treasury): Office of Intelligence and Analysis (OIA)

NIP and MIP

IC spending is usually understood as the sum of two separate budgets: (1) the NIP funds national intelligence capabilities and programs that support products and

services of the entire IC; (2) the Military Intelligence Program (MIP) funds military-specific tactical capabilities and programs in support of warfighters. Non-DOD intelligence components do not receive MIP funds.

The Director of National Intelligence (DNI) manages the NIP budget directly through the IPPBE process. The Under Secretary of Defense for Intelligence and Security (USD(I&S)) manages the MIP, with input from the DNI through DOD's Planning, Programming, Budgeting, and Execution (PPBE) process. The latter is separate and distinct from the IPPBE process. DOD intelligence components such as NSA, NGA, and DIA receive both NIP and MIP funds. Thus, the DNI collaborates with the USD(I&S) to try to ensure that whether managing through IPPBE or PPBE and, to the extent possible, the national and military intelligence programs complement one another in holistically addressing IC requirements.

Key Players

While each phase of the IPPBE process—planning, programming, budgeting, and evaluation—has a designated lead on the ODNI staff, that person and staff work in concert with many others in the ODNI and intelligence components to synchronize all IC efforts. Key players include

- USD(I&S)
- Under Secretary of Defense (USD) Comptroller/Chief Financial Officer (USD(C)/CFO)
- Assistant DNI (ADNI) and IC Chief Financial Officer (CFO)
- *Program Examiners* from the Office of Management and Budget's (OMB) National Security Division
- Congressional authorization and appropriation committee staff, sometimes referred to as *Program Monitors*.

DOD's PPBE vs. IPPBE

The DOD PPBE process allocates resources within DOD, mainly to the Armed Service components, to organize, train and equip military forces for combat and to cover all necessary support missions.

MIP funds are allocated, via the PPBE process, to DOD intelligence components. Intelligence-related *Component Managers*—the senior leader for intelligence in each of DOD's military intelligence components—manage the MIP

resources in accordance with USD(I&S) guidance and policy. DOD Directive 7045.14 provides PPBE guidance.

NIP funds are allocated to separate departmental budgets and are *fenced* (i.e., protected outlay for other than their intended purpose or reduction without the permission of the DNI). NIP Program Managers exercise daily control over resources (i.e., manpower and dollars) as associated with IC capabilities (e.g., cryptology, reconnaissance, and signals collection) that may span several IC components.

IPPBE in Detail

Planning Phase

The Assistant DNI for Requirements, Cost, and Effectiveness (ADNI/RC&E) leads the planning phase. The ADNI/RC&E analyzes long-term trends, validates IC requirements, identifies gaps and shortfalls, and prioritizes needs as they relate to the DNI's policy goals. The ADNI/RC&E's counterpart in DOD's PPBE planning phase is the Under Secretary of Defense for Policy.

Programming Phase

ADNI/RC&E also leads the programming phase. The primary objective of this phase is to provide analytically based, fiscally constrained options to frame DNI resource allocation decisions. The RC&E's programming counterpart in DOD's PPBE process is the Director of Cost Assessment and Program Evaluation (CAPE).

Programming includes the following primary activities:

- conducting major issues studies to analyze high-impact, IC-wide issues (e.g., common need for data-mining technology);
- developing independent cost estimates of total life-cycle costs for major systems acquisitions and other programs of interest; and
- producing the final CIG—the joint DNI/USD(I&S) guidance that NIP Program Managers and MIP Component Managers use to finalize their program and budget submissions.

Budgeting (and Execution) Phase

Within the IPPBE, budgeting and execution comprise one phase (unlike the PPBE) led by the ADNI/Chief Financial Officer (ADNI/CFO). The primary objective of this phase is to develop, defend, execute, and manage the NIP portion of the President's budget. The ADNI/CFO's counterpart in the PPBE's budgeting and execution phases is the USD Comptroller/Chief Financial Officer (USD(C)/CFO).

Budgeting

Budgeting begins with the issuance of the CIG, and guidance from OMB. With this guidance, each IC component produces an Intelligence Program Budget Submission (IPBS) that details proposed programs and budget estimates for the upcoming budget year plus four fiscal years (within the DOD PPBE system this is known as the *Future Years Defense Program*, or FYDP).

Each NIP-funded organization submits its IPBS to NIP program managers who then consolidate these inputs for submission to the ODNI for program and budget review. Budget reviews produce DNI decision documents, sometimes signed by the DNI alone, and sometimes signed by both the DNI and USD(I&S).

The ADNI/CFO is responsible for producing the Congressional Budget Justification Books (CJBs) and the accompanying NIP Summary of Performance and Financial Information Report. Together, these classified documents explain and justify the details associated with each of the NIP programs to the congressional intelligence committees. In parallel, DOD submits Congressional Justification Books (CJBs) supporting the ten MIP programs to Congress as part of DOD's PPBE process.

Execution

Once Congress passes the budget and the President signs it into law, the ADNI/CFO manages the NIP budget during program execution. Execution and performance reviews help ensure that funds are obligated in accordance with DNI, USD(I&S), and legislative intent. Mid-year reviews may lead to decisions that require a redistribution of funds under specific statutory authorities to *reprogram* or *transfer* funds from one activity to another. These limited authorities provide budget execution flexibility to use funds for purposes other than those originally specified by Congress.

Evaluation Phase

The evaluation phase is actually a continuous process with periodic linkages to the other IPPBE phases. Its primary objective is to assess the effectiveness of IC programs, activities, major initiatives, and investments. Evaluations inform current and future planning, programming, budgeting, and execution decisions.

Responsibility for the evaluation function is shared. For example, the ADNI Policy and Strategy conducts the program-level assessment and strategic assessments to inform the Planning Phase. The ADNI/RC&E is responsible for the Strategic Evaluation Reports and for consolidating a number of other policy-related evaluation reports. The ADNI/CFO is responsible for all budgeting and execution-related evaluation activities and the performance measurement reports required for OMB and Congress.

Resource Management

The IPPBE is one leg of a resource management triad that includes the IC capability requirements process and the IC acquisition process. It produces what its managers and overseers expect will be timely, innovative, relevant, and informed resource decisions. IPPBE comprises at least four fiscal year budget cycles running simultaneously. Its complexity is marked by numerous federal, department, and agency-specific timelines, missions, and priorities.

Additional reading on this topic:

- Dan Elkins, *Managing Intelligence Resources*, 4th ed. (Dewey, AZ: DWE Press, 2014)
- CRS In Focus IF10524, *Defense Primer: Budgeting for National and Defense Intelligence*, by Michael E. DeVine
- CRS In Focus IF10429, *Defense Primer: Planning, Programming, Budgeting and Execution (PPBE) Process*, by Brendan W. McGarry

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