



DEPARTMENT OF THE AIR FORCE
WASHINGTON, DC

Office Of The Assistant Secretary

28 MAR 2003

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Foreign Military Sales (FMS) Administrative Budget Transformation Workshop

Just as the Air Force is undergoing transformation, the Defense Security Cooperation Agency (DSCA) is changing the way we manage security cooperation programmatic activities over the Future Years Defense Plan. This transformation began in FY 2000 with the introduction of Performance Based Budgeting (PBB) and Performance Based Costing (PBC), and has now evolved to a process resembling the traditional Planning, Programming, and Budgeting System.

Currently, DSCA is attempting through PBC and PBB to gain visibility as to how resources are used throughout the entire security cooperation community. At this time there is no comprehensive data or information from the military departments or MAJCOMs to substantiate how much, or where money is being spent, by core function or by program. Consequently, in December 2002, DSCA issued new programming guidance and implemented the FY05-07 Program Objective Memorandum (POM). As a result of the addition of the POM, the FY04-05 Budget Submission may be in an entirely different format than recent submissions. In addition, there has been a large turnover of Air Force personnel involved in managing the FMS Administrative Budget.

In order to assist the Air Force FMS community to understand these changes and their impact, we plan to conduct a training workshop on 22-23 April 2003, at the Holiday Inn Market Square, in San Antonio, TX to address the transformation of the FMS Administrative account and provide insight into budget preparation, justification and execution. This will be a valuable opportunity to learn the process, discuss recent and upcoming changes, and evaluate potential impacts on our budget processes. The proposed agenda is attached. If there are additional topics you believe should be included, please submit to SAF/FMBIS NLT 04 April 2003.

We highly encourage each Command to take advantage of this opportunity by sending personnel who are responsible for the FMS Administrative program, who will participate in future programming exercises, and/or who will be involved in PBB/PBC definition, development, and collection of measureable output activity that will be the cornerstone for assembling future AF POM and budget submissions. Within HQ AFMC, encourage attendance be extended to include personnel from the logistic centers and product centers. Please provide the names of your attendees to SAF/FMBIS NLT 08 April 2003.

Attendees will be responsible for making their own billeting arrangements. Hotel and transportation information will be provided directly to the attendees. The SAF/FMBIS point of contact is Susanne Shaw (703-697-6672, DSN 227-6672, Fax DSN 227-0920, email: susanne.shaw@pentagon.af.mil).



WILLARD H. MITCHELL
Deputy Under Secretary of the Air Force
International Affairs



BRUCE S. LEMKIN
Principal Deputy Assistant Secretary of the Air
Force (Financial Management)

Attachments:

1. Distribution List
2. Agenda

DISTRIBUTION LIST:

HQ ACC/DOT
205 Dodd Blvd, Suite 101
Langley AFB VA 23665-2789

HQ AETC/FMA
555 E Street, Suite 4
Randolph AFB, TX 78150

HQ AFMC/FM
4225 Logistics Ave
Wright-Patterson AFB OH 45433-5006

AFSAC/FM
4225 Logistics Avenue
Wright-Patterson AFB OH 45433-5006

AFSAT/FMA
2021 1st Drive West
Randolph AFB TX 78150

HQ AFSPC/FMFS
150 Vandenburg Street, Suite 1105
Peterson AFB CO 80914-4010

HQ AMC/FMP
402 Scott Drive, Unit 1K1
Scott AFB IL 62225-5311

NGB/FMA
1411 Jefferson Davis Hwy
Arlington, VA 22202-3231

HQ PACAF/FMA
25 E Street, Suite J-109
Hickam AFB, HI 96853-5417

HQ USAFE/FMA
Unit 3050, Box 5
APO AE 09012-0505

**FOREIGN MILITARY SALES (FMS) ADMINISTRATIVE BUDGET
TRANSFORMATION WORKSHOP**

DAY 1

WELCOME

INTRODUCTIONS

- Who are the attendees?
- Where are they from?
- How do they fit into the process?

TRANSFORMATION

- Past - Where were we?
- Present - Where are we?
 - Transition from 2000 to 2001 to 2002 to 2003
 - Short history of PBB/PBC
- Future - Where are we going?
 - Brief introduction of the POM
 - Mid year execution review
 - Budget submission

FMS CORPORATE PROCESS

- PPBS
 - Traditional
 - FMS process
- SARB
 - Membership
 - Purpose
 - Schedule
 - Roles and Responsibilities
 - IA/FM, SAF, and Command level
- Chain of Command

FMS BUDGET 101

- FMS Policy / Procedures
 - FMS Laws, Regs, References
- Current funding level
- What you can and cannot do with FMS funds
- Common mistakes

FMS BUDGET EXECUTION

- AF FMS Budget Authorization
 - Funding process
 - Funding documents
 - Why CMCS matters

**FOREIGN MILITARY SALES (FMS) ADMINISTRATIVE BUDGET
TRANSFORMATION WORKSHOP**

FMS BUDGET EXECUTION (continued)

- Mid-Year Execution
 - Purpose
 - Lessons Learned from FY02
 - Call
 - Required Format
 - Realigning programs
 - Unfunded Requirements
 - Justification
 - Prioritization

VIEW “FROM THE OTHER SIDE”

- Perspective from a former AFSAC employee

FMS BUDGET EXECUTION (continued)

- Year End Closeout
 - Lessons learned from FY02
 - Plan for this year
 - Managing Prior Years
 - Status of obligations
 - NULOs

DAY 1 WRAP UP

DAY 2

THE ROLE OF PBB/PBC

- Background
- Implementation Status
- Identification and collection of measurable output activity
- Future Uses

FMS PROGRAMMING

- Background
- Structure
 - Core Functions
 - Program Elements
- First Submission
 - What we did
 - How we did it
- Future Submissions
 - Role of PBC
 - Expected Command involvement
- Program Decision Memorandum

**FOREIGN MILITARY SALES (FMS) ADMINISTRATIVE BUDGET
TRANSFORMATION WORKSHOP**

ADMIN BUDGET SUBMISSION

- Call
- Format
- Expected Command involvement (Everyone has to play)
 - Modify database narrative
 - Re-price/Realign programs (by Program Elements)
 - Justify Changes
- Training
 - Tool

RELATED TOPICS

- Change Management
 - Business Process Improvement
 - Return on Investment
 - Productivity Improvements
 - Business Process Reengineering
 - Best Practices

QUESTIONS AND DISCUSSION

DAY 2 WRAP UP