

Appendix H

Special Interests, Multi-Appropriation and Information Technology and National Security Systems

Introduction

Purpose. This section provides guidance for the preparation and submission of special interest IT budget exhibits by Budget Submitting Offices (BSOs) and the Office of the Department of the Navy Chief Information Officer (DON CIO) to FMB for the Department of the Navy (DON) Review; the Office of Secretary of Defense (OSD)/Office of Management and Budget (OSD/OMB) Budget Estimates Submission (BES); and for the President’s Budget submission.

Definition of IT: IT is defined by the Clinger-Cohen Act (aka Information Technology Reform Act (ITMRA)) of 1996 and is reproduced here:

(a) Any equipment or interconnected system or subsystem of equipment, that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the executive agency. For purposes of the preceding sentence, equipment is used by the executive agency directly or is used by a contractor under a contract with the executive agency which requires the use of such equipment, or requires the use, to a significant extent, of such equipment in the performance of a service or the furnishing of a product.

(b) Includes computers, ancillary equipment, software, firmware and similar procedures, services (including support services), and related resources.

(c) Notwithstanding subparagraphs (a) and (b), the term “information technology” does not include any equipment that is acquired by a Federal contractor incidental to a Federal contract.

Definition of NSS: National Security System (NSS) is a type of IT, and is defined in the Clinger-Cohen Act (aka Information Technology Reform Act (ITMRA)) of 1996 as:

(a) any telecommunications or information system operated by the United States Government, the function, operation, or use of which—

1. involves intelligence activities;
2. involves cryptologic activities related to national security;
3. involves command and control of military forces;
4. involves equipment that is an integral part of a weapon or weapons system; or
5. subject to subsection (b), is critical to the direct fulfillment of military or intelligence missions.

(b) Limitation - Subsection (a)(5) does not include a system that is to be used for routine administrative and business applications (including payroll, finance, logistics, and personnel management applications).

Scope of IT Budget Reporting: All IT and NSS resources are reportable in the IT budget except for classified resources and NSS resources embedded in weapon platforms and weapon systems are excluded from IT budget reporting.

IT Budget Terms and Definitions: IT budget terms are defined in the Financial Management Regulation (FMR), Volume 2B, Chapter 18, IT, at link: http://www.defenselink.mil/comptroller/fmr/02b/02b_18.pdf.

Submission: The table below lists IT budget exhibits due for each submission. Additional details are included in Parts II, III, and IV of this manual.

Exhibit	Title	DON	OSD/ OMB	PB
300 CIR	Capital Investment Report	X	X	X
300 SCIR	Selected CIR			X
NC-36	NITE/STARweb IT budget database	X	X	X
NC-33 BIN	Justification of Increases and Decreases by Budget Initiative Number (BIN)	X	X	X
SOC	BSO Joint Comptroller and Command Information Officer (IO) Statement of Compliance	X	X	X
AJ	Additional Justification		X	X
CI	Consolidated Infrastructure		X	
EA	Enterprise Architecture		X	
DIAP	Defense Information Assurance Program Resources		X	X
ES	Executive Summary			X

Exhibit	Title	DON	OSD/ OMB	PB
GIG	Global Information Grid Net-centricity Summary			X
MA	Major Accomplishments			X
SC	Significant Resource Changes			X
PA	Major Planned Activities			X
DBS	Defense Business Systems Summary			X
IA	Information Assurance Activities			X

Supplementary Instructions:

CIR – BSO complete following data elements in SNaP-IT: type of investment, summary and justification, program manager information, President’s Management Agenda information, Program Assessment Rating Tool information, summary of funding, funding changes from previous President’s submission, acquisition strategy, contracts, security and privacy, enterprise architecture, alternative analyses, risk management, cost and schedule performance, E-Gov and lines of business.

SCIR – BSO complete following data elements in SNaP-IT: funding changes between Fiscal Year Current Year (FYCY) and FY Budget Year (FYBY), program accomplishments, management oversight, contract information, milestones, schedule, completion data, changes from baseline, customers, stakeholders, planned activities, Clinger-Cohen certification status, data of analysis of alternatives, date of economic analysis, date of acquisition strategy, architecture information.

NC-36 – BSO report all IT resources in NITE/STARweb by entering changes from previous submission as delta records. The NITE/STARweb IT budget database is submitted to OASD(NII) via upload file to SNaP-IT. SNaP-IT resource data is submitted to OMB as Exhibit 53 and to Congress as Exhibit IT-1 of the Congressional Justification Book (CJB).

NC-33 BIN – BSO justify and explain changes of \$500 thousand or more between FYBY column of current submission and corresponding column from previous President’s submission, and between FYCY and FYBY of current submission. Generate NC-33 via NITE/STARweb, Exhibits, NC-33 BIN menu, download as Excel.csv, save as Excel.xls, complete required entries and post to JMS.

Explanations should address both cause and effect of the change. Note that reference to a Program Budget Information System database (PBISdb) issue, whether based on a Program Objectives Memorandum (POM) adjustment, FMB issue, Program Decision Memorandum (PDM) or Program Budget Decision (PBD), or internal realignment, while useful and desirable as an explanation of the cause of a change in funding, does not constitute an explanation of the

effect of the change, i.e., how the Automated Information System (AIS) has been altered in response to the change in funding. Justification must address the following factors:

- a. For increases in funding, describe causes, benefits, increased capabilities, realized or projected savings, or impact on functional and/or system performance measures and the nature of the change in the program associated with the increased funding level.
- b. For decreases in funding, describe causes, foregone capabilities, impact on functional or system performance measures, or unrealized savings and the nature of the change in the program associated with the decreased funding level (e.g., “Dev/Mod funding decreases by \$N million between FY ‘X’ and FY ‘Y’ due to completion of AIS ‘X’ deployment at sites ‘X’, ‘Y’, and ‘Z’”).
- c. Do not explain changes solely in terms of exhibit NC-36 database line items since these changes are apparent in the budget and would be considered “descriptive” rather than “explanatory” in nature.
- d. Explanations such as ‘reprioritization of funding’ and ‘change in requirements’ are merely descriptive and do not provide the required level of explanatory, ‘cause and effect’ information required to justify changes to higher authority.

SOC – BSO Comptroller and Command Information Officer (IO) coordinate and jointly certify budget exhibits for each submission by including the following assertion(s) as applicable in a memorandum and posting to JMS.

“We jointly certify that the IT budget exhibits are complete and accurate, consistent with primary budget, program and acquisition materials; are consistent amongst IT budget exhibits; and that NITE/STARweb AIS table is consistent with the Defense IT Portfolio Repository (DITPR-DON) inventory.

In addition, we certify that our Exhibit 300s are complete and consistent with supporting business case analyses; comply with DON and DoD policy, guidance and reporting requirements; and are in compliance with the requirements of the Clinger-Cohen Act.”

Additional Justification – Enter additional justification in SNaP-IT for each Budget Initiative Number (BIN) with \$25 million or more in FYBY. Provide detailed justification of your FYBY activities for each appropriation. Provide detailed justification of your planned FYBY+1 through FYBY+5 activities for each appropriation.

CI – DON CIO provide a description of Infrastructure initiatives, their capabilities and status in the IT capital planning and investment control process; assumptions; how this capability supports mission and strategic goals and objectives; alternative sources in the public or private sectors that could perform these functions; supporting governance process; performance management information; supporting information assurance initiatives; and security certification and accreditation status. Complete current CI template in Word.

EA – DON CIO provide a description of the Department of the Navy Enterprise Architecture (EA); EA maturity level; how does the Department’s EA aligns with OMB EA Assessment version 1.5; assumptions used in the development of the EA; governance process supporting the EA effort; EA compliance measurement; process to update guidance or take action if the EA requirements are not being met; milestones for success with dates and milestone status. Complete current EA template in Word.

DIAP – CNO N6 and HQMC C4 Provide detail project-level information in the DIAP module of SNaP-IT.

ES – DON CIO provide a summary of the current Department of the Navy Information Management/Information Technology (IM/IT) Strategic Plan, including primary goals and objectives. Prepare in Word and forward to FMB for incorporation into the IT Overview module in SNaP-IT.

GIG – DON CIO provide a summary of how the Department of the Navy IM/IT initiatives are integrated with the Global Information Grid (GIG) and the Department’s efforts to comply with DoD Net-Centricity goals. Complete summary in Word and forward to FMB for incorporation into the IT Overview module in SNaP-IT.

MA – DON CIO provide “success stories” from the current Department of the Navy IM/IT Strategic Plan in support of FY Past Year (FYCY) and FYCY resources. Complete in Word and forward to FMB for posting to the IT Overview module in SNaP-IT.

SC – FMB summarize significant changes to the Budget Year based on BSO inputs from the NC-33 BIN; post to IT Overview module in SNaP-IT.

PA – DON CIO provide key performance indicators from the current Department of the Navy IM/IT Strategic Plan in support of FYCY and FYBY resources. Provide baseline and planned metrics, and supporting narrative, for each key performance indicator for FYBY.

DBS – DON CIO provide a summary and status of the Department of the Navy Defense Business Systems (DBSs), including a schedule of systems receiving Defense Business Systems Management Committee (DBSMC) approval during FYCY and systems planned to receive DBSMC approval during FYBY.

Questions concerning these exhibits may be referred to FMB-3B, telephone (703) 695-5827.

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Special Interest, Multi-Appropriation and Other

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Instructions For Preparation Of Exhibit NC-2

Audit Finding and Recommendations

Purpose: To identify potential cost savings reflected in audit reports for possible incorporation into budget estimates.

Submission: Exhibit NC-2 is required for the DON, OSD/OMB, and President's Budget submissions.

Instructions:

1. This exhibit will reflect savings already incorporated in the budget estimates and those potential savings which have not yet been implemented.
2. List each audit by number and title. The affected appropriation, fiscal years, and command position on the savings should be provided.
3. Cost savings not previously identified in published audit reports of the General Accounting Office, Department of Defense Inspector General and Naval Audit Service should be included.

Department of the Navy Audit Findings/Recommendations Exhibit NC-2 Appropriation: _____				
Audit Number/Title	Item/Savings (Narrative)	Command Position	Incorporated in Savings (\$000)	Estimates (Yes/No)
GAO-LCD-81-3 (7123) Navy Electronic Depot Maintenance Capability				
DODIG 87-123 Processing invoices to take advantage of discounts				
NAVAUDSVC A41211 NAS Bermuda	#13/Mechanizing the existing manual payroll function would improve efficiency and could result in overall savings	Concur. Implementation requires installation of IBM 360/30 late 19PY-1.	FY-PY O&M \$17 FY-CY O&M \$65 Outyears \$65 each year	Funds reapplied to: Provide AG/SAG and amounts as appropriated

Instructions for Preparation of Exhibit NC-10

Naval Shipyard Workload Summary

Purpose: To identify the amount of direct mandays, direct labor dollars, and direct material costs associated with work that will be accomplished by the Naval Shipyards.

Submission: Exhibit NC-10 is required for the DON, OSD/OMB, and President's Budget Submissions.

Instructions: Exhibit NC-10 must be submitted by all Budget Submitting Offices (BSOs) that budget for work to be accomplished by Naval Shipyards. Values should only reflect fully funded workload, that is, scheduled but not funded workload shall not be included in the manday and dollar amounts. A separate page shall be completed by each BSO for each appropriation, and for the Prior Year (PY), Current Year (CY), and each of the budget years (BY1 and BY2). Total direct dollars should match the dollars budgeted for Naval Shipyard efforts as reflected in the Exhibits OP-32, P-32, and R-32.

**DEPARTMENT OF THE NAVY
NAVAL SHIPYARD WORKLOAD SUMMARY**

BSO: _____
 APPROPRIATION: _____
 FISCAL YEAR: _____

FY: ____/____
 DATE: ____

	Direct Mandays	Direct Labor \$000	Direct Material \$000	Total Direct (\$000)
<u>NORFOLK NAVAL SHIPYARD</u>				
SHIPBUILDING AND CONVERSION				
INACTIVATIONS				
ALTERATIONS				
OVERHAULS				
SCHEDULED RATA				
EMERGENT REPAIR				
UNSCHEDULED RATA				
OTHER PRODUCTIVE WORK				
<u>PORTSMOUTH NAVAL SHIPYARD</u>				
SHIPBUILDING AND CONVERSION				
INACTIVATIONS				
ALTERATIONS				
OVERHAULS				
SCHEDULED RATA				
EMERGENT REPAIR				
UNSCHEDULED RATA				
REFIT AND RESTORATION				
OTHER PRODUCTIVE WORK				
OTHER SHIPWORK				
<u>PUGET SOUND NAVAL SHIPYARD</u>				
SHIPBUILDING AND CONVERSION				
INACTIVATIONS				
ALTERATIONS				
OVERHAULS				
SCHEDULED RATA				
EMERGENT REPAIR				
REFIT AND RESTORATION				
OTHER PRODUCTIVE WORK				
OTHER SHIPWORK				
<u>PEARL HARBOR NAVAL SHIPYARD AND INTERMEDIATE MAINTENANCE FACILITY</u>				
SHIPBUILDING AND CONVERSION				
INACTIVATIONS				
ALTERATIONS				
OVERHAULS				
SCHEDULED RATA				
EMERGENT REPAIR				
UNSCHEDULED RATA				
REFIT AND RESTORATION				
OTHER PRODUCTIVE WORK				
OTHER SHIPWORK				

NOTES:

OVERHAULS INCLUDE:

OH(R) - Regular Overhaul

OH(RF) - Nuclear Refueling Overhaul (Submarines)

OH(RC) - Nuclear Refueling Complex Overhaul (Surface Ships)

OH(C) - Complex Overhaul

DMP - Depot Modernization Period (SSN-688 Class)

UNCHEDULED RATA INCLUDES:

SRA - Selected Restricted Availability

SRA(E) - Extended SRA

SRA(D) - Docking SRA

SRA(ED) - Extended DSRA

PMA - Phased Maintenance Availability

PMA(D) - Docking PMA

PIA - Planned Incremental Availability (Nuclear Carriers)

PIA(D) - Docking PIA (Nuclear Carriers)

FDD - Floating Dry Dock Overhauls

UNSCHEDULED RATA INCLUDES:

Interim Drydocking

Habitability

Submarine Battery Renewals

Other Planned RA/TA

Deep Submergence Vehicles

Post Shakedown Availabilities

Service Craft Availabilities

OTHER PRODUCTIVE WORK INCLUDES:

Base Operations Support

Family Housing

Tenant Support

OTHER SHIPWORK INCLUDES:

Components (SPCC)

Design Yard

Instructions for Preparation of Exhibit NC50S

Mandays at Naval Shipyards for Fleet Modernization Program

Purpose: To identify mandays to be performed at Naval Shipyards for the Fleet Modernization Program.

Submission: Exhibit NC-50S is required for the DON, OSD/OMB and President's Budget Submissions.

Instructions: Exhibit NC-50S must be submitted by O&MN, APN, OPN and WPN appropriations.

Department of the Navy NC-50 Supplemental Exhibit									
Mandays to be Performed at Naval Shipyards for Fleet Modernization Program									
Shipyard	Fiscal Year	Type Avail	Hull	Number	NC-50 Mandays (1)	Shipyard Mandays (2)	NSY MDR (3)	NC-50 Labor \$ (4)	Shipyard Labor \$ (5)
EX: NORVA	1996	DSRA	CG	47	10,750	9,200	\$525.50	\$5,649	\$4,835
NOTES:									
1/ NC-50 Mandays is the NUMBER of mandays which appears on the NC-50 for a respective hull.									
2/ Shipyard mandays is the number of mandays which are actually worked in the shipyard.									
3/ Naval shipyard alteration manday rate									
4/ The dollar amount shown on the NC-50 belongs in this column.									
5/ Shipyard mandays multiplied by shipyard alteration manday rate.									

Instructions for Preparation of Exhibit OM-6

Unfunded Requirements

Purpose: To identify urgent requirements which cannot be accommodated within funding constraints.

Submission: Exhibit OM-6 may be submitted for the DON submission only.

Instructions:

Current Year Unfunded Requirements - All CNO/CMC directed programs will be included in the funded envelope of the annual budget. Every effort should be made to present a balanced program within available resources. However, if responsive management and reprogramming actions between functional areas cannot accommodate requirements within funding constraints, current year unfunded requirements may be submitted for DON review in the format of Exhibit OM-6.

Budget Year Unfunded Requirements - Critical deficiencies which cannot be absorbed within controls, due to pricing and fact-of-life adjustments, may be submitted as Unfunded Requirements in the format of Exhibit OM-6. Deficiencies should be in support of the approved POM program. However, newly emergent requirements may also be identified. Deficiencies must be submitted in accordance with the annual budget submission schedule.

One page is required for each underfunded requirement. When calculating the funding requirement, be sure to include the correct amount for escalation.

BSOs may nominate offsets/tradeoffs from within their resources that can be used to fund the deficiency. Items which have viable offsets are more likely to be funded than items with no offsets.

The format for Unfunded Requirements is largely self explanatory. However, the following additional explanation is provided for selected portions of the exhibit.

FY 20 ___ Unfunded Requirement. In the blank space, write the fiscal year for which funding is being requested.

Sponsor. Write the name of the sponsor who has reviewed and who supports this particular unfunded requirement.

BSO Priority. Each priority number should be assigned to only one discrete unfunded requirement per appropriation.

Profile of Available Funding. Show current funding profile for the funded portion of the requirement.

Requirements - OP-32 Object Class Code. Break the deficiency into “OP-32 Object Class code” and “Other” as follows:

Use only those Object Class codes from above which are applicable. All funding which does not come under those Object Class codes is shown as “Other.”

Total. Show the funding total for each of the “Required,” “Budgeted” and “Deficiency” columns. The total for “Budgeted” must equal the amount for the same year shown above in the Profile of Available Funding.

Civilian WY/ES and Military Off/Enl. Delete if not required.

Narrative Description of Requirement. For each AG/SAG, briefly describe what the funding is required for, how it will be executed and the impact of not providing the funding. Support the requirement with facts and numerical quantification (such as flying hours or ship OPTEMPO).

**Department of the Navy
Detail of FY __ Unfunded Requirement**

Exhibit OM-6

BSO: _____
 Preparers name and extension: _____
 Sponsors name/code/extension: _____

Appropriation/Budget Activity:

Activity Group/Sub-Activity Group(s) (AG/SAG and Title):

Unfunded Requirement Title:

BSO Priority:

Profile of Available Funding (In Thousands of Dollars)

	FY PY-1	FY PR	FY CY	FY BY1	FY BY2
<u>Table of Requirements*</u>			<u>Required</u>	<u>Budgeted</u>	<u>Deficiency</u>
Funding (In thousands of Dollars)					
AG/SAG _____					
OP-32 Object Class Code/Title					
Total					
Civilian WY/ES					
Military Off/Enl					

Narrative Description of Requirement:

* Provide this information (Funding, Civilian WY/ES, Military Off/Enl) for each AG/SAG which has a portion of the unfunded requirement. If the unfunded requirement is entirely within one AG/SAG, then delete the “AG/SAG _____” line.

Information Technology (IT) and National Security Systems (NSS)

Overview. This section provides exhibit formats and definitions for preparation and submission of special interest IT/NSS budget exhibits by Budget Submitting Offices (BSOs) to FMB; and by DON to the Office of Secretary of Defense (OSD). All exhibits identified in Parts II, III and IV of this manual are required to be submitted to the Justification Management System (JMS) (JMS link: <https://notes3.secnav.navy.mil/>)

- a. IT/NSS Budget Exhibit Formats.** The following exhibits are required to be submitted electronically for the IT/NSS budget exhibit submission. Formats and instructions for all IT/NSS budget exhibits are available from the NITE/STAR link within the PBIS homepage <http://navweb.secnav.navy.mil/pbis/nitestar>

(1) Exhibit Executive Summary (ES) – This exhibit discusses significant FYBY investments; information assurance (IA) activities/initiatives; and other areas of interest. Specific reporting requirements for the Exhibit ES are issued in FMB budget guidance memoranda due to changing requirements by higher authority. (Submitted as Word document.)

(2) Exhibit 300, Capital Investment Report (CIR)/Selected CIR (SCIR) – This exhibit discusses business case analysis (BCA) (aka benefit/cost analysis, economic analysis) and related factors, which are scored by OMB to make funding decisions. (The Exhibit 300 CIR/SCIR is maintained in the Office of the Assistant Secretary of Defense for Networks and Information Integration (OASD(NII)) online IT Management Application (ITMA) (see: <http://140.185.43.23/index.htm>; contact FMB-4 for ITMA account access)).

(3) NC-33, Justification of Increases and Decreases – This exhibit justifies and explains significant changes (\geq \$500 thousand by NC-33 entry) between the FYCY column of the current submission and corresponding column from previous President’s submission, and FYCY to FYBY changes in current submission. Justifications and explanations are incorporated into Exhibit ES to defend funding before OSD, OMB and Congress. (Generated by the Naval IT/NSS Exhibits/Standard Reporting (NITE/STAR) System and completed in Microsoft Excel or Word.)

(4) NC-36, Worksheet – This worksheet contains IT/NSS appropriation funding and the NWCF cost/CPD database. It is submitted to OSD and Congress as (FMR Vol. 2B, Ch. 18) Exhibit IT-1, subsequently submitted to OMB as (OMB Circular A-11) Exhibit 53; submitted to Congress as Exhibit IT-1. (The Exhibit NC-36 is also known as the NITE/STAR budget database.)

(5) BSO Joint Certification – The BSO Comptroller and Command (IO) are required to jointly certify budget exhibits for each submission (to comply with DoD FMR Volume 2B, Chapter 18, IT/NSS): “We jointly certify that the IT/NSS budget exhibits are complete and

accurate, consistent with primary budget, program and acquisition materials and decisions, and are consistent amongst IT/NSS budget exhibits. {In addition, we certify that the following Exhibit 300(s) is (are) complete and consistent with supporting business case analyses; complies(comply) with DON and DoD policy, guidance and reporting requirements; and the Exhibit 300 initiative(s) is(are) in compliance with the requirements of the Clinger-Cohen Act.”

(Exhibit 300) Initiative #1

(Exhibit 300) Initiative #2, etc.}-omit if no Exhibit 300s

b. Definition of IT and NSS.

- (1) IT is defined in the Clinger-Cohen Act (a.k.a. Information Technology Reform Act (ITMRA)) of 1996(<http://www.woirm.nih.gov/itmra/itmra96.html>) as:

(a) Any equipment or interconnected system or subsystem of equipment, that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the executive agency. For purposes of the preceding sentence, equipment is used by the executive agency directly or is used by a contractor under a contract with the executive agency which requires the use of such equipment, or requires the use, to a significant extent, of such equipment in the performance of a service or the furnishing of a product.

(b) Includes computers, ancillary equipment, software, firmware and similar procedures, services (including support services), and related resources.

(c) Notwithstanding subparagraphs (a) and (b), the term “information technology” does not include any equipment that is acquired by a Federal contractor incidental to a Federal contract.

- (2) NSS is defined in the Clinger-Cohen Act (a.k.a. Information Technology Reform Act (ITMRA)) of 1996 as:

(a) any telecommunications or information system operated by the United States Government, the function, operation, or use of which—

1. involves intelligence activities;
2. involves cryptologic activities related to national security;
3. involves command and control of military forces;
4. involves equipment that is an integral part of a weapon or weapons system; or
5. subject to subsection (b), is critical to the direct fulfillment of military or intelligence missions.

(b) Limitation - Subsection (a)(5) does not include a system that is to be used for routine administrative and business applications (including payroll, finance, logistics, and personnel management applications).

c. Scope of IT and NSS Reporting. The IT/NSS Budget Exhibit is comprised of two separate budget exhibits (or annexes), IT and NSS, which have been combined for reporting purposes. It is important to note that the scopes of reporting for IT and NSS differ significantly, as follows:

(1) Scope of IT Budget Reporting. The scope of IT budget reporting covers all IT resources as defined in the Clinger-Cohen Act (Information Technology Management Reform Act (ITMRA) of 1996) with the exception of classified IT resources.

(2) Scope of NSS Budget Reporting. The scope of NSS budget reporting covers all NSS resources as defined in the Clinger-Cohen Act) with the exception of classified NSS resources. The scope of NSS includes any non-classified telecommunications or information system operated by the United States Government, the function, operation, or use of which: involves intelligence activities; involves cryptologic activities related to national security; involves command and control of military forces; involves equipment that is an integral part of a weapon or weapons system; or is critical to the direct fulfillment of military or intelligence missions.

(3) Exclusion. Classified IT/NSS resources are excluded from reporting in the IT/NSS budget exhibits.

d. IT/NSS Budget Exhibit Definitions. IT/NSS budget exhibits are prepared based on several building blocks. Definitions of these building blocks are as follows:

(1) Automated Information System (AIS), Project or Initiative. (Includes all AISs, projects or initiatives and all NSS resources as defined above and any IT or NSS resource managed under SECNAVINST 5000.2B, Subject: Implementation of Mandatory Procedures for Major and Non-Major Defense Acquisition Programs and Major and Non-Major Information Technology Acquisition Programs. NSS resources include C2 and C3 resources categorized as Acquisition Category (ACAT) II programs (i.e., weapons systems).) AISs, projects or initiatives are categorized as either 'major', 'non-major' or 'other cost'; see below for definitions. All IT and NSS resources are identified by a unique AIS code, acronym and title. Major and discrete AISs, projects or initiatives are assigned their own AIS code. Other projects and initiatives falling below the major and discrete initiative level are aggregated in miscellaneous support system AIS codes (aka 'aggregate' reporting entity). When funds for particular AIS, project or initiative are budgeted by more than one BSO, each BSO reports its portion of budgeted resources for the AIS, regardless of the amount. (The NITE/STAR AIS table is available via NITE/STAR Utilities, Tables, AIS.)

(2) Major AIS, project or initiative. The following criteria determine whether a discrete system, initiative or project meets the 'major' threshold. An Exhibit 300, CIR, is required for each system, project or initiative meeting one or more of these criteria.

a. An AIS that has anticipated program (i.e., development and modernization (DEV/MOD)) costs, computed in FY 1996 constant dollars, in excess of \$120 million; or that has estimated program costs, computed in FY 1996 constant dollars, in excess of \$30 million in any Fiscal Year Prior Year (FYPY), Current Year (FYCY), Budget Year (FYBY), or Budget Year plus One (FYBY+1); or that has estimated total life-cycle costs (total DEV/MOD and operations costs), computed in FY 1996 constant dollars, in excess of \$360 million.

b. Any system, project or initiative designated “special interest” by OSD.

c. Any financial system that has costs or funding equal to or greater than (\geq) \$1 million in any year.

d. Any non-financial feeder system whose ‘percentage FYBY financial cost’, when multiplied by the total cost of the system, has cost or funding \geq \$1 million in any year.

e. Any E-Government system, as specified by OMB, OSD, or DON CIO.

(3) Discrete IT/NSS AIS, ‘system’, project or initiative. An AIS that is not designated as a Major and has total costs of \$2 million or more in FYPY, FYCY, FYBY, or FYBY+1 in the current submission. Also, any financial and non-financial feeder system inventoried in the Office of Financial Operations (FMO) online Financial and Non-Financial Feeder System Inventory (FFSID). (FFSID link: <https://www.fmosystems.navy.mil/FFSID/Home/Index.cfm>)

(4) Other Cost. IT/NSS resources not associated with a major or discrete AIS, system, project or initiative. Other cost is reported under aggregate support systems. An aggregate support system is a collection of AISs, projects or initiatives each of which falls below the \$2 million non-major AIS threshold and all non-system or computing and communications infrastructure resources, e.g., activity-based costs such as voice, data, communications, infrastructure (computing and communications resources), IT organizations, and IT personnel (personnel who perform IT functions 51% or more of their time).

(5) Global Area Grid (GIG) Area (aka Functional Area (FA)). Each AIS, project, initiative, or resource is categorized according to the GIG area that it supports. If a major or non-major AIS supports more than one GIG area on an integrated basis, BSOs are to report the AIS under the primary GIG area supported as determined by the program manager or by direction of the Office of Assistant Secretary of Defense for C3 and Intelligence (OASD(C3I)). Aggregate support system resources will be categorized according to the GIG area each component (i.e., individual activity, system, project or initiative) therein supports. The GIG area for major or discrete AISs, systems or initiatives that are used by multiple BSOs is determined by the program manager or by direction of OASD(C3I). (The NITE/STAR GIG table is available via NITE/STAR Utilities, Tables, FA.)

(6) Development/Modernization (DEV/MOD) cost and Current Services (CS) (aka Operations) cost. All resources are categorized as either DEV/MOD or CS. OSD revised the definitions of DEV/MOD and Current Services to coincide with the investment and expense

definitions, respectively. Adherence to the OSD policy memo of 26 October 1999, Subject: Clarification of Policy on Budgeting for IT and Automated Information Systems (AISs), and the expense/investment criteria will result in expense appropriations (i.e., Military Pay, Operation and Maintenance, Navy Working Capital Fund (NWCF) Operating Cost, and Family Housing) being reported as CS and investment appropriations (i.e., RDTEN, Procurement, Military Construction, and NWCF Capital Purchases Program (CPP)) being reported as DEV/MOD. (DEV/MOD versus CS cost assignments are available via NITE/STAR Utilities, Tables, Appn.)

(7) Line Item. IT/NSS resources are categorized by line item (i.e., detail cost element (e.g., hardware, software, communications, or other cost)). Line item definitions are provided in the NITE/STAR online Help area under Definitions.

e. Naval IT/NSS Exhibits/Standard Reporting-Program/Budget (NITE/STAR-Pro) System.

The NITE/STAR system, which is administered by FMB-4, is the standard DON enterprise budget reporting system used by BSOs to electronically capture, maintain, distribute and report IT/NSS budget estimates (i.e., Exhibit NC-36 Worksheet database) to FMB (JMS) and by FMB to report to the Office of the Secretary of Defense (OSD). NITE/STAR is also used to generate the Exhibit NC-33, Justification of Increases/Decreases for subsequent completion of justification entries. The NITE/STAR system Help area includes detailed instructions on its use, IT/NSS budget-related definitions, and budget exhibit formats and procedures.

(1) NITE/STAR-client/server. NITE/STAR-client install kits may be downloaded and installed via PBIS link (<https://navweb.secnav.navy.mil/pbis/nitestar>) and following step-by-step instructions

- 1) Click on NITE/STAR Installation or Upgrade Kit
- 2) Click 'OK' to 'Save this program to disk'
- 3) Browse to any local or network drive and click 'Save' to save "nitestar6install.exe" (or "nitestar6upgrade.exe") to specified location
- 4) Double-click on the file via Windows Explorer
- 5) NITE/STAR kit will self-extract and install contents; follow prompts
- 6) Users are strongly encouraged to peruse the 'ReadMe' guide to get started
- 7) Default password is "password", which may be changed via Utilities, Tables, Users

(2) NITE/STAR-Web v7. NITE/STAR-Web v7 is scheduled to be available June 2004 as an alternative to NITE/STAR-client/server typically operated from the user's desktop. NITE/STAR-Web v7 and -client/server v7 are planned to provide BSOs maximum flexibility in designing local IT/NSS budget reporting business processes and to be completely interoperable.

f. BSOs responsible for submitting IT and NSS budget exhibits. IT and NSS budget exhibits are to be submitted by the BSOs to FMB via JMS.

g. Role of DON CIO and DON Deputy CIOs. DON CIO, DON Deputy CIO (Navy) and DON Deputy CIO (Marine Corps) will review and certify specified BSO Exhibit 300s submissions in accordance with supplementary FMB budget guidance memoranda.

Program Briefings to Congressional Staff Members

Purpose: The Program Briefing materials serve two purposes: First, they are a visual aide for the briefer to cover the material necessary to update the Professional Staff Member (PSM) on a program. Second, they serve as a reference document for the PSM during the Hearing, Markup and Conference phase of the budget review process. As reference documents, their utility lies in their ability to provide the PSM easy access to required information. From the PSM's point of view, if he/she needs information on the program's schedule, obligation rate, etc., it is more efficient if he/she knows where the relevant information can be found, rather than having to search for it in more detailed budget justification material. Presentation format standardization across multiple programs is paramount. Deviation from the prescribed format is not acceptable.

Submission: Exhibit CB is required for the President's Budget submission.

General: The standard briefing format of Exhibit CB is directed to all the BSOs who have major systems acquisition programs funded in the investment and development appropriations. This format is designed to provide the PSMs with key information they will need to prepare themselves and their members for hearings, and to use as reference during the subsequent budget markup. Strict adherence to the exhibit format is critical. Doing so will allow Navy to be more effective in communicating its requirements to the Congress, and also will help minimize the need for numerous follow-up requests for additional information.

FMB will issue supplemental guidance covering submission requirements as necessary. At a minimum, specific programs requiring briefings to Congressional staff members will be published in budget guidance memoranda. The development of this program list will involve the joint efforts of FMB staff, OLA, ASNs and MC(FD) to ensure the required topic areas are identified at least eight weeks prior to the submission of the President's Budget. The briefings will be due at least two weeks prior to the submission of the other budget exhibits for the President's Budget submission.

BSOs involved in *major systems acquisitions* should anticipate that there will be required briefs for all major acquisition programs involving procurement of ships, aircraft and weapons.

Anticipation of such briefs prior to formal notification through budget guidance memoranda each year and early preparation for their development will serve to ensure timely submission and approval.

Submission Requirements:

1. Submissions must reflect all changes resulting from the Program Objectives Memorandum (POM), the DON Budget Review, Program Budget Decisions (PBDs) and any other action affecting estimates.

2. All budget material must be submitted electronically to the Congressional Information Management System (CIMS). Due dates will be promulgated via Budget Guidance Memoranda.

3. Detailed formats and instructions for this exhibit are at the NHBS on-line web site.

Instructions for Preparation of Exhibit CB

Slide #1 is the “Cover Page” and should contain: a) Program Name, b) Appropriation(s), R1/P1 number, Program Element number, c) Who is being briefed, d) Date of the briefing, and e) Who is providing the briefing and their organization. For items c, d, and e, if specifics are unknown at the time of submission, insert “TBD.” Once approved by FMB, and prior to the actual brief presentation, data can be updated appropriately by the BSO.

Slide #2 is the “Program/System Description”. Provide an explanation/bullets on the major aspects of the program.

Slide #3 is the “Requirement”. This slide should provide the military requirements that the program will fulfill. If there is a specific, approved document that applies, such as Mission Needs Statement or Operational Requirements Document, specifically identify that document.

Slide #4 is the “Planning Schedule”. Provide a schedule with the program’s key events (including testing and development milestones) in PERT chart format. If it is necessary to include information earlier than FY PY-1 for the schedule to make sense, include it. However, information must be consistent with that reflected in the President’s Budget exhibits.

Slide #5 is the “Program Installation Schedule.” Provide the schedule for FYPY-1 to Program Completion.

Slide #6 is the Total Projected Program Costs. Provide a breakout of costs by appropriation for FYPY-1 through BY+4 costs.

Slide #7 is the “Budget Request”. This slide should provide the funding through the FYDP. Include explanatory notes as necessary. POM or other internal material are not to be discussed.

Slide #8 is the “Detailed Funding Breakout”. Provide the appropriation and associated funding levels (PY-1 to BY) for each element of the program.

Slide #9 is the “Budget Track”. This slide is intended to provide a summary of legislative action affecting the program during the FY CY budget cycle. If there are a number of lines or PE numbers that have to be accommodated, it may be necessary to move the information about specific committee language to subsequent slides. Include a track of adjustments by each Congressional committee (which should include Congressional undistributed across-the-board reductions), description of FY CY Congressional adds/status, and program changes from the last President’s Request to the current request.

Slide #10 is the “Execution Performance”. Provide the Obligations and Expenditures and specify the “as of” date and appropriation.

Slide #11 is “Contractors and Government Field Activities”.. Provide a breakout by contractor/field activity, location and role they perform.

Slide #12 is “Top Management Issues”.. Provide a breakout of the top ten management issues/items of interest.

Additional Instructions:

1. Unapproved programs will not be briefed. POM recommendations not reflected in the President’s Budget are internal to DoD and should not be discussed with Congress until they are approved by SECNAV, SECDEF, OMB and reflected in the President’s Budget. Revised acquisition strategies not reflected in the President’s Budget should not be discussed with Congress unless they have been approved by CNO/CMC/SECNAV as appropriate.
 2. Unfunded requirements are not to be discussed unless the CNO and CMC have formally submitted an unfunded requirements list to the Congress. Requirements that were not high enough priority to receive funding within DoD should not be discussed with Congress. An increase to one program will come at the expense of other programs that DoD determined to be of higher priority. The exception to this is a direct question asked regarding a specific unfunded requirement. In such an instance, the only acceptable answer is: “The requirement was not deemed to be a priority within existing fiscal constraints by the Department of the Navy leadership and has therefore not been requested in the BY budget.” Any item not funded in the budget process must be considered only a “lesser priority” requirement.
 3. Internal DON/DoD actions are not to be discussed.
 4. Issues relating to funding reserves or problems in securing the release of funds on reserve should not be discussed with Congress.
 5. Discussion of DON marks or DoD PBDs is inappropriate.
 6. Funding realignments proposed but not approved should not be discussed until after forwarded to Congress (example: OMNIBUS reprogramming).
 7. Ensure funding, schedules and quantities exactly match those reflected in the President’s Budget. Exceptions to this would be fact of life changes that have already occurred. (example: contract awarded late or at a lower cost).
 8. Support the President’s Budget.
- [Program Briefings to Congressional Staff Members.ppt](#)