DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(FINANCIAL MANAGEMENT AND COMPTROLLER)
1000 NAVY PENTAGON
WASHINGTON, DC 20350-1000

28 OCT 2005

MEMORANDUM FOR DISTRIBUTION

Ref: (a) OASN (FM&C) memo of 17 August 2005

Subj: BUDGET PRODUCTIVITY INDICATOR METRIC

Encl: (1) Illustrative Budget Productivity Indicator Metric
(2) Definitions

1. During the July Wide Area Comptroller Meeting, ASN(FM&C) introduced his desire to solicit comments in refining the financial performance metrics for our community. This memorandum promulgates the second metric, Budget Productivity Indicator (BPI), in our series of financial performance metrics. We would like to incorporate your feedback into this performance metric before its finalized.

2. One theme encapsulated in the Financial Management Strategic Plan, Business Practices, is to capture how well we conduct our business internally. Furthermore, to meet the objective of determining if the Department of the Navy is achieving its mission, delivering products, and satisfying our customers, the BPI will be instituted to measure the productivity improvements in the budget business process. The BPI is a composite performance measure, combining elements of timeliness, quality, and productivity measured at the Financial Management Budget (FMB) and Budget Submitting Organization (BSO) organizational levels. The calculation uses a weighted average of three contributing factors – Budget Unit Timeliness (BT), Budget Quality (BQ), and Budget Productivity (BP). Illustrative and definitions are provided in enclosures 1 and 2, respectively.

3. It is the responsibility of each BSO to cascade each element throughout their organization to capture the requisite information at the lowest possible levels and report the aggregate information to FMB. Therefore, comments are being solicited to ensure the metrics developed for the financial community are effective.

4. Please provide your comments by 4 November 2005 to Ms. Sally Reams, FMB311 (703) 692-4807, sally.reams@navy.mil.

Neil W.T. Hogg
Deputy Director
Program/Budget Coordination Division

Illustrative Example
Budget Productivity Index Tutorial Analysis

The FMB Budget Productivity Indicator is based on Timeliness, Productivity and Quality. Budget Timeliness is based on the number of budget units (exhibits and justification books), completed by each analyst on time. Productivity is measuring the average time it takes to complete the review of each unit. A Budget Productivity rate of 2.88 hours per budget unit has been established as the goal for each analyst. If the worker requires extra time to complete their reviews it will result in a higher number of hours per unit and correspondingly a smaller percent of budget productivity. Budget Quality measures the success of the submission, in terms of how many of the requested dollars were approved. The measurement is an average of the quality of the OSD/OMB submission and the President's Budget Submission.

Budget Analyst Dollar has been in FMB for exactly one year. She is responsible for the Weapons Procurement, Navy (WPN) appropriation, the Navy Ammunition Budget Activity of the Procurement of Ammunition, Navy and Marine Corps appropriation, and 12 exhibits in the Research, Development, Test and Evaluation, Navy (RDTEN) appropriation, covering five Budget Submitting Offices (BSOs). She is responsible for a total of 50 budget units (BUs) with a value of $3.162 billion, which are comprised of the justification materials she prepares and reviews for submission to OSD/OMB as well as to Congress. She is also responsible for coordinating and consolidating the WPN and PANMC BA-1 justification books (J-books) for the aforementioned organizations. Finally, she is responsible for ensuring that her budget units are properly justified and defendable during review by higher authority. In her most recent budget submission, Budget Analyst Dollar required 160 hours to review 50 exhibits, which equates to 3.20 hours per budget unit, which does not meet FMB-2's BP goal.

The current BPI for Budget Analyst Dollar is as follows:

Budget Productivity Indicator (BPI)			
Budget Timeliness (BT)	**Budget Productivity (BP)**	**Budget Quality (BQ)**	**%**
$BT\ \% = \frac{\text{Number Submits on Time}}{\text{Total Submissions}}$	$BP\ \% = 1 - \frac{\text{(BP Actual - BP Goal)}}{\text{BP Actual}}$	$BQ\ \% = \frac{\frac{\text{(DON OSD/OMB Submit - OSD Action)}}{\text{DON OSD/OMB Submit}} + \frac{\text{(DON PRESBUD Submit - Cong Action)}}{\text{DON PRESBUD Submit}}}{2}$	$BPI = 0.35(BT+BP) + 0.3(BQ)$
Budget Timeliness (BT)	**Budget Productivity (BP)**	**Budget Quality (BQ)**	**%**
$BT\ (\%) = \frac{\text{45 OnTime BU}}{\text{50 Total BU}} = 90\%$	$BP\ (\%) = 1-((3.20 - 2.88)/3.20) = 1-(0.32/3.20) = 90\%$	$BQ\ (\%) = \frac{\frac{\$3.162B - \$0}{\$3.162B} + \frac{\$3.162B - \$0}{\$3.162B}}{2} = 100\%$	$= 0.35(0.90+0.90)+0.3(1.00) = 0.63 + 0.30$ $BPI = 93.0\%$

NOTES: BU = Budget Unit(s)

Illustrative Example
Budget Productivity Index Tutorial Analysis

Analysis of BPI Rating:

- Budget Timeliness (BT) – Budget Analyst Dollar was only able to complete 45 of her 50 assigned budget units on time, resulting in a rating of 90 percent.
- Budget Productivity (BP) – It took her 3.20 hours per budget unit to complete her budget exhibits, compared to the goal of 2.88 hours per budget unit.
- Budget Quality (BQ) – All of her assigned programs successfully completed the OSD/OMB and Congressional review unmarked.
- Budget Productivity Index (BPI) - The total BPI rating for Ms. Dollar was 93 percent.

Summary

Budget Analyst Dollar is a junior analyst and this was her first review. Compared to the established standards, it took her extra time to complete her review. Consequently she was tardy in completing her submission, but her efforts did pay off with a successful review with OSD/OMB and Congress.

Illustrative Example
Budget Productivity Index Tutorial Analysis

Scenario 1: Neutral

Two months ago, the office where Budget Analyst Dollar worked saw their Lead Procurement analyst retire after 30 years of Federal service. Because of his depth of knowledge and experience, many analysts, including Ms. Dollar, went to him for assistance and direction on properly reviewing budget requirements and justification materials. The retiring analyst was responsible for the submission of budget justification materials related to the Other Procurement, Navy (OPN) appropriation, consisting of 50 BUs, representing 35 percent of the OPN appropriation. His workload had to be absorbed temporarily by the other analysts until a relief was hired.

Even though her supervisor is aware that Ms. Dollar is relatively new to FMB, she assigns Budget Analyst Dollar 20 BUs of the departed analyst's OPN budget exhibits, equating to $2.9 billion in Total Obligational Authority, increasing the TOA she is responsible for to $6.062. Budget Analyst Dollar has not worked long enough to have a full understanding of OPN and the issues and concerns related to those items. The additional OPN workload resulted in overtime work to cover not only her own areas of responsibility, but also the additional 20 budget units. Her overtime claimed over a three-week period rises from 20 hours to 57 hours, as she works late on weekdays and extra days on the weekends to review the materials under her responsibility. The time required by Budget Analyst Dollar to review the 70 BUs is 217 hours.

Impact of Action on BPI:

Budget Productivity Indicator (BPI)			
BT ▲	BP ▼	BQ	BPI (No Change)
$BT = \frac{\text{43 OnTime BU}}{\text{50 Total BU}} = 86\%$	$BP = 1-((3.1-2.88)/3.1)$ $= 1-(.22/3.1)$ $= 93\%$	$BQ = \frac{\frac{\$6.062B - 0}{\$6.062B} + \frac{\$6.062B - \$0B}{\$6.062B}}{2} = \frac{1.0 + 1.0}{2} = 100\%$	$= 0.35(.86+0.93) +0.3(1.00)$ $= 0.63+ 0.30$ $= 93\%$

Scenario 1: Neutral *(cont)*

Analysis of Action:

In dealing with the extra workload left by the retired senior analyst, Budget Analyst Dollar must personally deal with the increased workload. As a result, she was spread very thin. She had so much to do that she spent less time on each budget unit, and without the lead analyst advising her, she wasn't able to complete all her exhibits on time.

- Budget Timeliness (BT) – She only completed 43 of the 50 exhibits on time as a result of her inexperience combined with the increased volume of work, resulting in an 86% rating.
- Budget Productivity (BP) – Because of the large number of budget units she was assigned, she spent less time on each unit, resulting in a 93% rating. She spent 3.1 hours per budget unit to complete all 70 of the budget exhibits, compared to the goal of 2.88 hours per budget unit.
- Budget Quality (BQ) – The extra time taken to ensure a quality submission did result in a 100 percent Budget Quality rating.
- Budget Productivity Index (BPI) – As a result of the quality of her exhibits, the decrease in BT and BP was offset, and she had a zero net change, causing the BPI rating for Ms. Dollar to remain unchanged at 93 percent.

Illustrative Example
Budget Productivity Index Tutorial Analysis

Scenario 2: Negative

Budget Analyst Dollar is dispirited by the neutral rating she received. The analyst who previously departed has not been replaced, so Ms. Dollar is still responsible for the additional 20 exhibits she was assigned when the other analyst left. She is determined that if she does nothing else, she will improve her timeliness. However, she was so busy preparing her exhibits and ensuring improved timeliness that the quality of her submission suffered and she received OPN marks in the OSD review and a WPN mark in the Congressional review.

The OPN exhibits submitted to OSD did not include strong enough justification for the program growth shown. In her haste to improve timeliness, she decided to go with the information she had available and not take the additional time to go back to the BSO for more supporting information. As a result, she received a $750 million mark to her OPN TOA.

Additionally, three days after the delivery of the President's Budget to Congress, local newspapers highlighted a recent weapons failure during a high visibility live-fire test for one of Budget Analyst Dollar's programs. The article reports that that contractor believes that all of the weapons currently being built and approximately 35 percent of the Fleet's weapons must be recalled and repaired due to a faulty electronic component. The contractor also states that it will take 6 months to produce and test new components to correct the problem. Budget Analyst Dollar, overwhelmed by the additional OPN budgets but determined to get her exhibits done on time, failed to read several emails from the program manager alerting her to the weapons failure and schedule slip. The Appropriations staff asks questions to Ms. Dollar's Division Director about the apparent "disconnect" between the article and the printed budget. The BSO confirms that the program manager's estimates in the news article are accurate and a six-month slip to the current production schedule will occur. Despite providing additional information explaining the rationale for this program slip, the Appropriations staff reduces funding for the WPN and PANMC budgets by $600 million.

Impact of Action on BPI:

Budget Productivity Indicator (BPI)			
BT	BP	BQ	BPI
$BT = \frac{45\ \text{OnTime BU}}{50\ \text{Total BU}} = 90\%$	$BP = 1-((3.1-2.88)/3.1)$ $= 1-(.22/3.1)$ $= 93\%$	$BQ = \frac{\frac{\$6.062B - \$.750B}{\$6.062B} + \frac{\$5.312B - \$.6B}{\$5.312B}}{2}$ $= \frac{.88 + .88}{2} = 88\%$	$= 0.35(.90+.93) + 0.3(0.88)$ $= 0.64 + 0.26$ $= 90\%$

Scenario 2: Negative *(cont)*

Analysis of Action:

- Budget Timeliness (BT) – Budget Analyst Dollar completes her 45 budget exhibits on time, which restored her BT rating to the rating she had prior to receiving the additional 20 exhibits.
- Budget Productivity (BP) – She was able to maintain her 3.1 hours per budget unit to complete her budget exhibits.
- Budget Quality (BQ) – The OSD reduction to OPN of $750 million, and the congressional reduction of $600 million to WPN impacts the overall BQ rating reducing it to 88%.
- Budget Productivity Index (BPI) - Despite improving the BT the overall BPI is degraded to 90% due to the lower Budget Quality rating.

Scenario 3: Positive

Budget Analyst Dollar recognizes that changes need to be made to improve her Budget Quality measure and also her Budget Productivity. She initiates a series of discussions with her supervisor about improving her ability to handle the extra workload. At this point in time, no one has been assigned the Lead Procurement Analyst position. She requests that her overall number of BUs be reduced, and that she receive additional training to better understand the aspects of budget formulation and analysis that she is not comfortable with in her new OPN budgets.

Her supervisor, having seen her hard work during the most recent submission, and recognizing that an unbalanced workload was a factor in the poor quality of her budget submission, redistributes the workload more evenly among the other four analysts. Budget Analyst Dollar is only given responsibility for 8 budget exhibits that deal with Aviation Support Equipment and is closely related to the WPN and PANMC budgets she had been reviewing. As such, her BU responsibility drops from 70 to 58, giving her more time to conduct a careful, analytical review of her programs, which now total $3.712 billion.

Additionally, her supervisor approved two training courses, one in Budget Formulation and the other in Budget Analysis. She attends the two courses and develops a better understanding of the formulation and analysis aspects of her work. She also attends DON Planning, Programming, Budgeting and Execution (PPBE) and registers to take the Enhanced Defense Financial Management Course (EDFMC) following the budget review.

Finally, she improves coordination with the Congressional liaison (FMBE and OLA) staffs as well as her counterparts at the BSO and Program Offices. Recognizing that better communication and coordination during the formulation of her budget materials would have prevented the "disconnect" between her materials and the testimony provided by senior Navy leadership, she makes a point of periodically e-mailing or talking to her counterparts, sharing feedback and information on likely issues to arise before and during the course of the Congressional review.

Impact of Action on BPI:

Budget Productivity Indicator (BPI)			
BT ▲	BP ▼	BQ	BPI ▲
$BT = \frac{\text{50 OnTime BU}}{\text{50 Total BU}} = 100\%$	$BP = 1-((3.20-2.88)/3.20)$ $= 1-(.32/3.2)$ $= 90\%$	$BQ = \frac{\frac{\$3.712B - \$0.0B}{\$3.712B} + \frac{\$3.712B - \$0}{\$3.712B}}{2} = \frac{1.0 + 1.0}{2} = 100\%$	$= 0.35(1+0.90) + 0.3(1.0)$ $= 0.66 + 0.3$ $= 97\%$

Scenario 3: Positive *(cont)*

Analysis of Action:

Because Budget Analyst Dollar recognized that workload, education and coordination were closely inter-related factors in her work, she and her supervisor took proactive steps to ensure that she had a manageable workload, a better understanding of the processes regarding budget formulation and analysis, and improved communication with the Congressional liaison staff, BSO and PM staffs responsible for providing information to her to respond to Congressional inquiries.

- Budget Timeliness (BT) – She completes 50 exhibits on time.
- Budget Productivity (BP) – Because her workload was reduced, she was able to spend more time on her exhibits to ensure good quality. Her BP went down, however it is anticipated that with experience her productivity will improve to meet the 2.88 goal.
- Budget Quality (BQ) – The extra time taken to ensure a quality submission did result in a 100 percent Budget Quality rating.
- Budget Productivity Index (BPI) - As a result of these proactive efforts, the timeliness and productivity improvements she made in reviewing and preparing her budgets results in a quality budget submission. She is successfully able to defend her BUs from Congressional adjustments. These result in an improved BPI. As a result of her improving her efforts and taking on more responsibility, Analyst Dollar should be awarded an incentive payment.

Summary:

The inter-relationship of the contributing factors, as illustrated in the three scenarios above, must be considered in order to achieve a successful BPI rating. Additionally, the BPI metric has varied focuses during the budget cycle, therefore, persistence in the pursuit of budget production and quality becomes pivotal to a command's ability to improve its rating.

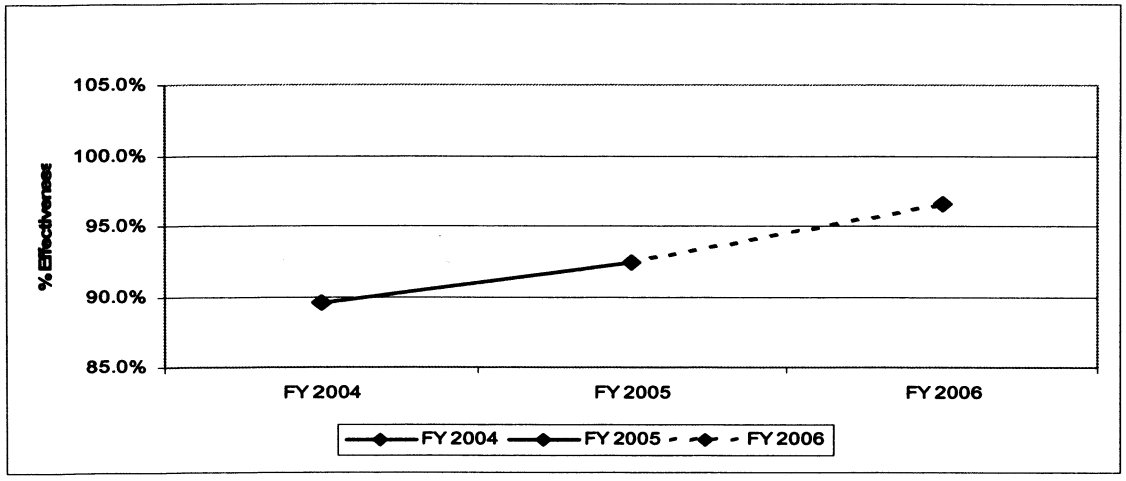
Achieve Productivity Improvements in Business Processes – Budget

Metric: Budget Productivity Indicator (BPI)

Metric Description: Mathematical average of the three Tier 2 drivers: Budget Unit Timeliness (BT), Budget Quality (BQ), and Budget Productivity (BP) used to estimate overall effectiveness - - BPI

Performance Goal: Achieve 100% effectiveness by maximizing Budget Unit Timeliness, Budget Quality, and Budget Productivity

Metric Display



$$BPI(\%) = 0.35(BT+BP) + 0.3\,(BQ)$$

$$BT\ \% = \frac{\text{Number of Submissions on Time}}{\text{Total Submissions}}$$

$$BP\ \% = 1 - \frac{(\text{BP Actual} - \text{BP Goal})}{\text{BP Actual}}$$

$$BQ\ \% = \frac{(\text{DON OSD/OMB Submit - OSD Action})}{\text{DON OSD/OMB Submit}} + \frac{(\text{DON PRESBUD Submit - Cong Action})}{\text{DON PRESBUD Submit}}$$

2

Performance Status:
Data as of 1 May. FY 2006 budget not yet in execution. Improving trend in Budget Productivity since FY 2004.

Data Sources:
Justification Management System (JMS)
Program/Budget Information System (PBIS)

Update Frequency:
Quarterly from the beginning of a Budget Cycle until Congressional action for that FY complete.

POC:
FMB - Mr. Bill Orton 692-1679

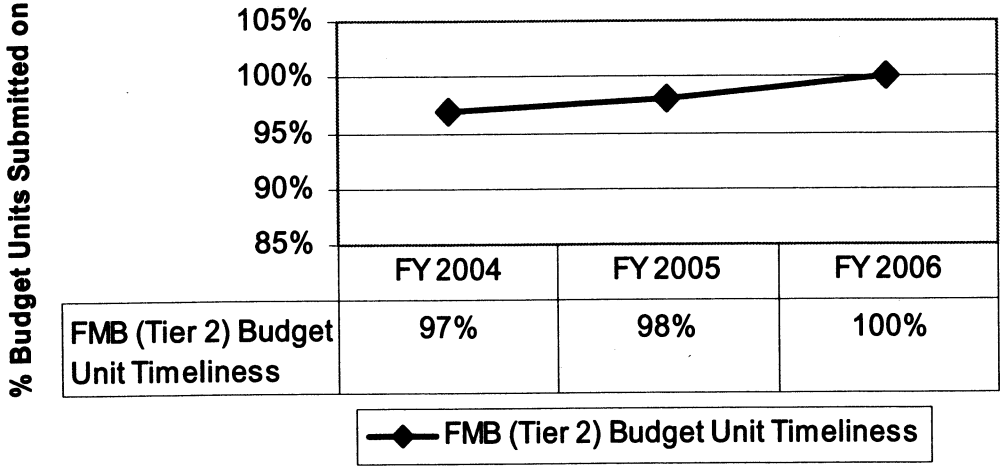
Achieve Productivity Improvements - Tier 2 Driver

Metric: Budget Unit Timeliness (Tier 2)

Metric Description: Timeliness of budget unit submissions from the Department of the Navy to Congress.

Performance Goal: To achieve and maintain 100% Department of the Navy budget unit submission on time to Congressional committees. Monitored by senior ASN (FM&C) staff as well as FMB, FMBB, FMBA and FMB-3. Timeliness indicates completion of budget submission within pre-determined period of time directed by OSD Comptroller.

Metric Display



Performance Status:
Data as of February 2006. Meets performance goal. Improving trend since FY 2004 budget submission.

Data Sources:
Justification Management System (JMS)-Located on the FMB PBIS website

Update Frequency:
Annually in concert with the PRESBUD submissions.

POC:
FMB - Mr. Bill Orton- 692-1679

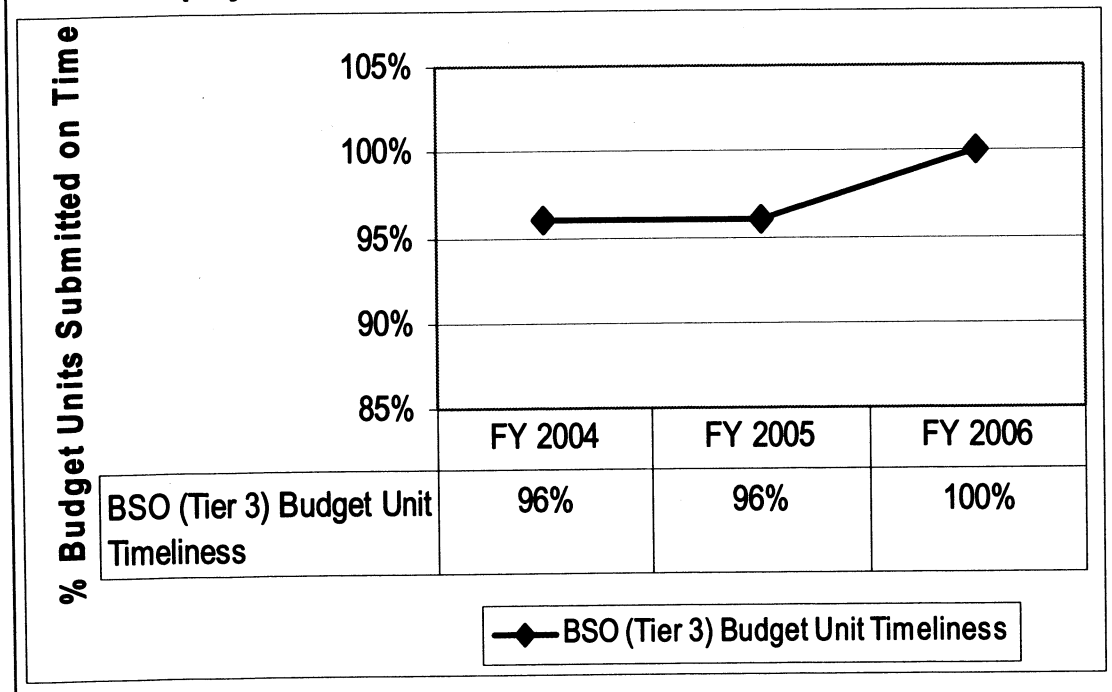
Achieve Productivity Improvements – Tier 3 Driver

Metric: Budget Unit Timeliness (Tier 3)

Metric Description: Timeliness of budget submissions from the BSOs to the DON in preparation for the President's Budget submission.

Performance Goal: To achieve and maintain 100% of the BSO budget unit submission to the DON on time enabling a timely DON submission to Congressional committees. Monitored by senior ASN (FM&C) staff as well as FMB, FMBB, FMBA and FMB-3. Timeliness indicates completion of the BSO budget submission within a pre-determined period of time.

Metric Display



	FY 2004	FY 2005	FY 2006
BSO (Tier 3) Budget Unit Timeliness	96%	96%	100%

Performance Status:
Data as of February 2006. Meets performance goal. Improving trend since FY 2004.

Data Sources:
Justification Management System (JMS)-Located on the FMB PBIS website

Update Frequency:
Annually in concert with the PB submission.

POC:
FMB - Mr. Bill Orton- 692-1679

Achieve Productivity Improvements - Tier 2 Driver

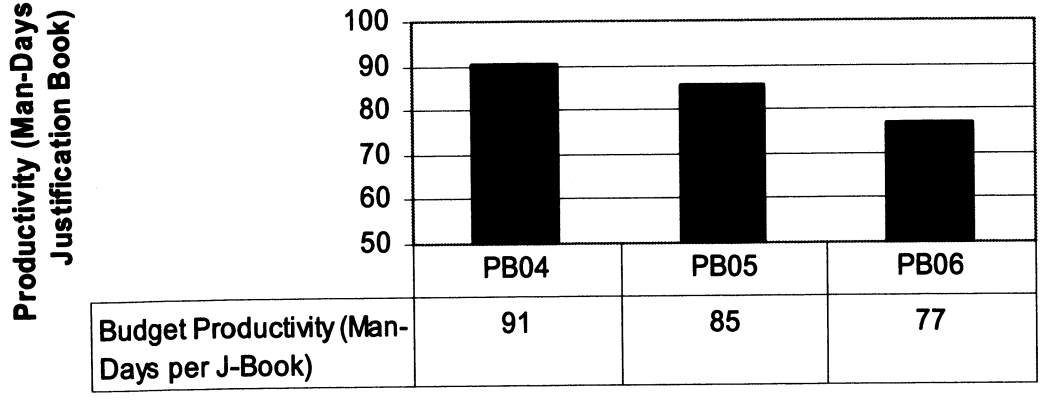
Metric: Budget Productivity (Tier 2)

Metric Description: Measures the staff productivity necessary to prepare, produce and submit Department of the Navy budget justification materials to Congress after initial FMB receipt. Measures productivity in terms of Man-Hours necessary for production as compared to the number of budget units (J-Books) submitted. Equation for budget productivity (shown below) normalizes the staff size by dividing # of analysts by the # of exhibits produced.

$$BP = \frac{[(\#\text{ of Analysts}) \times (\#\text{ of Production Days})]}{(\#\text{of Budget Units})} = \frac{\#\text{ of Man-Hours}}{\text{J-Book}}$$

Performance Goal: To improve efficiency by reducing the length of time or number of personnel necessary to produce quality, defendable justification materials for submission to Congress. Goal is for an improving productivity trend of Man-Hours per Exhibit.

Metric Display



Performance Status: Data as of PB06 submission to Congress. Meets performance goal. Indicates an improving trend with PB06 submission delivered with less Man-Hours per Justification Book.

Data Sources:
Justification Management System (JMS) - - Located on the FMB PBIS website. Time derived from Exhibit status.

Update Frequency:
Annually during President's Budget submission.

POC:
FMB - Mr. Bill Orton- 692-1679

Achieve Productivity Improvements – Tier 3 Driver

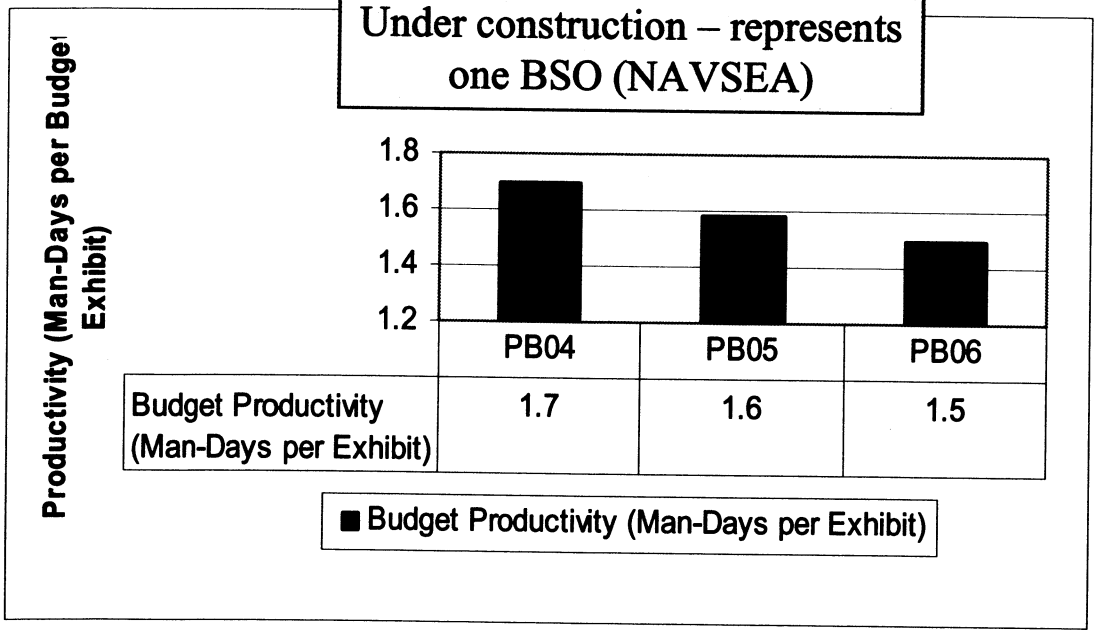
Metric: Budget Productivity (Tier 3)

Metric Description: Measures the BSO staff productivity necessary to prepare, produce and submit Department of the Navy budget justification materials to FMB during the budget review cycle. Measures productivity in terms of Man-Hours necessary for production as compared to the number of budget units (exhibits) submitted. Equation for budget productivity (shown below) normalizes the BSO staff size by dividing # of analysts by the # of exhibits produced.

$$BP = \frac{[(\#\text{ of Analysts}) \times (\#\text{ of Production Days})]}{(\#\text{of Budget Units})} = \frac{\#\text{ of Man-Hours}}{\text{Exhibit}}$$

Performance Goal: To improve efficiency by reducing the length of time or number of personnel necessary to produce quality, defendable justification materials for submission to Congress. Goal is for an improving productivity trend of Man-Hours per Exhibit.

Metric Display



Performance Status: Data as of PB06 submission to Congress. Meets performance goal. Indicates an improving trend with PB06 submission delivered with less man-hours per exhibit.

Data Sources:
Justification Management System (JMS) - - Located on the FMB PBIS website. Time derived from Exhibit status.

Update Frequency:
Annually during DON Budget Review Cycle

POC:
FMB - Mr. Bill Orton- 692-1679

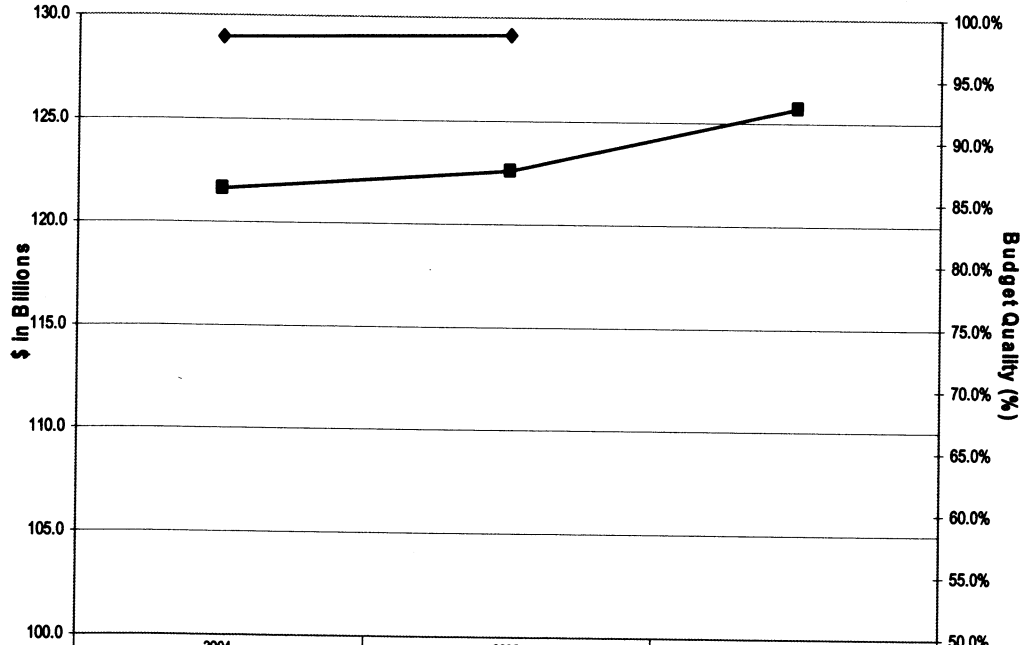
Achieve Productivity Improvements - Tier 2 Driver

Metric: Budget Quality (Tier 2)

Metric Description: Measures the effectiveness of the Department's budget justification materials based on reductions received during the course of the OSD/OMB and Congressional reviews. Budget Quality is reflected as the percentage of the DON budget submit that remains intact without OSD/OMB or Congressional reduction.

Performance Goal: To improve the effectiveness of the Department's budget submission based on fewer reductions during the OSD/OMB and Congressional reviews. Goal is to achieve 100% effectiveness (no substantive OSD/OMB and Congressional reductions).

Metric Display



	2004	2005	2006
Navy TOA ($B)	121.6	122.6	125.7
Budget Quality	98.2%	98.6%	

Performance Status: Measured as of 1 May. Includes FY 2005 Congressional action. Slight performance improvement trend for FY 2004 and FY 2005.

Data Sources:
Program/ Budget Information System (PBIS)

Update Frequency:
Quarterly following President's Budget submission to Congressional staff.

POC:
FMB - Mr. Bill Orton- 692-1679

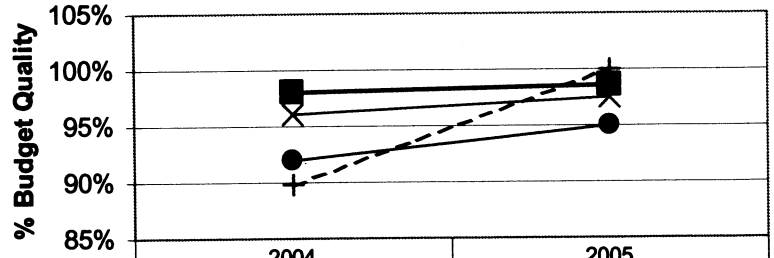
Achieve Productivity Improvements – Tier 3 Driver

Metric: Budget Quality (Tier 3)

Metric Description: Measures the effectiveness of the BSO's budget justification materials based on reductions received during the course of the OSD/OMB and Congressional reviews. Budget Quality is reflected as the percentage of the BSO budget submit that remains intact without OSD/OMB or Congressional reduction.

Performance Goal: To improve the effectiveness of BSO budget submissions based on fewer reductions during the OSD/OMB and Congressional reviews. Goal is to achieve 100% effectiveness (no substantive OSD/OMB and Congressional reductions).

Metric Display



	2004	2005
Aggregate Budget Quality % (Tier 3)	98%	99%
NAVEUR	90%	100%
SPAWAR	92%	95%
ONI	96%	97%

Aggregate Budget Quality % (Tier 3) — NAVEUR — SPAWAR — ONI

Performance Status: Data as of 1 May. Slightly improving trend in aggregate BSO performance. Lowest three performing BSOs show dramatic improvement.

Data Sources:
Program/Budget Information System

Update Frequency:
Quarterly following President's Budget submission to capture Congressional action.

POC:
FMB - Mr. Bill Orton- 692-1679

Budget Unit Timeliness (BT)

Metric Definition	Budget Phase	Measurement	Budget Unit Measurement	Goal	Calculation
Timeliness of budget unit submission from the Department of the Navy (DON) to Congress.	DON President's budget (PRESBUD) submission to Congress.	Percentage of DON budget exhibits published both in printed format and electronically on time to Congress.	Percentage of DON budget justification books required for the President's Budget Submission submitted on time based on USD(C) guidance.	To achieve and maintain 100% of the DON budget unit submission on time to Congress.	BT % = # of Required Submissions on Time ÷ Total # of DON PRESBUD J-Books Submitted
Timeliness of budget submission from the DON to the Office of the Secretary of Defense (Comptroller) [USD(C)]/Office of Management and Budget (OMB).	DON budget estimate submission Budget Estimate Submission (BES) to USD(C)/OMB.	Percentage of DON budget exhibits published both in printed format and electronically on time to USD(C) and OMB.	Percentage of DON budget justification books required for the USD(C) and OMB Budget Estimate Submission submitted on time based on USD(C) guidance.	To achieve and maintain 100% of the DON budget unit submission on time to USD(C)/OMB.	BT % = # of Required Submissions on Time ÷ Total # of DON BES exhibits submitted
Timeliness of budget submission from the Budget Submitting Office (BSO), Program Managers (PMs), PEOs, and Field Activities to the DON.	BSO submission to FMB.	Percentage of BSO budget exhibits submitted electronically on time to the DON.	Percentage of BSO budget materials required for the DON Budget Submission submitted on time based on DON guidance.	To achieve and maintain 100% of the BSO's DON Budget Submission on time to FMB.	BT % = # of Required BSO Submissions on Time ÷ Total # of BSO exhibits submitted to DON

Definitions:

- Budget Unit is defined as the basic unit of measure for each budget phase. In the PRESBUD submission, the Justification Book is the budget unit. For all other phases, the exhibit is the budget unit.
- Budget construction is defined as all efforts related to the production and output of a budget unit, including planning, meeting, reviewing, staffing, and other similar actions necessary to release a properly approved budget unit.

Data Sources: Data will be collected using the Justification Management System (JMS). Timeliness of the BSO submission will be reported in a specific data filed provided in JMS. All other time spans will be calculated using the dates that exhibit status was changed in the system.

Budget Productivity (BP)

Metric Definition	Budget Phase	Time Span Measured	Measurement	Goal	Calculation
The measure of Staff productivity necessary to prepare, produce, and submit Department of the Navy budget justification materials to Congress.	DON President's budget (PRESBUD) submission to Congress.	# of FMB analyst hours required to prepare and review prescribed budget exhibits, conduct security review of exhibits, and publish the exhibits both in printed format and electronically.	Time span in Hours required to review, consolidate, assemble, print and proof exhibits for the President's Budget Submission. Duration commences upon receipt of the smooth exhibit from the BSO to the submission of prescribed President's Budget justification book to Congress.	To reduce, to the maximum extent possible, the number of Hours per budget unit necessary to submit the President's Budget on time to Congress.	BP = (# of FMB Personnel x # of Days for PRESBUD production) ÷ (Total # of DON PRESBUD J-Books Submitted)
The measure of Staff productivity necessary to prepare, produce, and submit Department of the Navy budget materials to USD(C) and the Office of Management and Budget (OMB).	DON Budget Estimate Submission (BES) to USD(C)/ OMB.	# of FMB analyst hours required to prepare and review prescribed budget exhibits, and publish the exhibits both in printed format and electronically.	Time span in Hours required to review, consolidate, assemble, print and proof exhibits for the USD(C)/OMB BES. Duration is measured from receipt of the exhibit from the BSO to the submission of prescribed exhibits for the BES.	To reduce, to the maximum extent possible, the number of Hours per budget unit necessary to submit the DON BES on time to USD(C)/OMB.	BP = (# of FMB Personnel x # of Days for DON BES production) ÷ (Total # of DON BES Exhibits Submitted)
The measure of Staff productivity necessary to prepare, produce, and submit BSO, Program Manager (PM), PEO, and Field Activity budget materials to the DON.	BSO submission to FMB.	# of BSO analyst hours required to prepare and review prescribed budget exhibits, and submit exhibits electronically.	Time to review, consolidate, assemble, proof and submit exhibits required for the DON Budget Submission. Duration spans from the start of Budget exhibit construction until all required exhibits are submitted.	To reduce, to the maximum extent possible, the number of Hours per budget unit necessary for the BSO to submit on time it's budget units to FMB.	BP = (# of BSO Personnel x # of Days for DON Budget production) ÷ (Total # of BSO Exhibits Submitted)

Definitions: Analyst hours are measured each day in the above-described processes at each budget phase. Analyst hours encompass overtime, which includes extended hours and weekend days necessary to produce the budget unit.

Data Sources: Data will be submitted utilizing the Justification Management System (JMS).

Budget Quality (BQ)

Metric Definition	Budget Phase	Time Span Measured	Measurement	Goal	Calculation
Measures the effectiveness of the Department's budget justification materials based on the amount of reductions received per budget unit during the course of the Congressional review.	DON President's Budget Submission to Congress.	Congressional action will be measured Quarterly following President's Budget submission to Congress	Budget Quality is reflected as the percentage of the DON budget, by TOA, that withstands Congressional scrutiny.	To improve the effectiveness of the Department's budget submission by ensuring the fewest possible Congressional adjustments. Goal is to achieve 100% effectiveness.	BQ % = (Total DON Submit minus Congressional Action (in TOA)) ÷ (Total DON Submit (in TOA))
Measures the effectiveness of the Budget Submitting Office's (BSO) budget justification materials based on the amount of reductions received per budget unit during the course of the Congressional review.	Budget Submitting Office portion of the President's Budget submission.	Congressional action will be measured Quarterly following President's Budget submission to Congress	Budget Quality is reflected as the percentage of the BSO's President's Budget submission, by TOA, that withstands Congressional scrutiny.	To improve the effectiveness of the BSO's budget submission by ensuring the fewest possible Congressional adjustments. Goal is to achieve 100% effectiveness.	BQ % = (Total BSO Submit minus Congressional Action (in TOA)) ÷ (Total BSO Submit (in TOA))

Definitions:

- Budget Unit is defined as the basic unit of measure for each budget phase. In the PRESBUD submission, the Justification Book is the budget unit. For all other phases, the exhibit is the budget unit.

Data Sources: Data will be collected from the Program Budget Information System (PBIS) database.