AD-A038 898 NAVAL POSTGRADUATE SCHOOL MONTEREY CALIF F/G 5/1
PLANNING, PROGRAMMING AND BUDGETING FOR RESOURCE ALLOCATION IN --ETC(U)
DEC 76 R J LOSEA

UNCLASSIFIED NL

1 OF 2
AD A038898

AD A038893

NAVAL POSTGRADUATE SCHOOL
Monterey, California

THESIS

PLANNING, PROGRAMMING AND BUDGETING
FOR RESOURCE ALLOCATION IN
THE UNITED STATES COAST GUARD

by

Richard John Losea

December 1976

Thesis Advisor: J. C. Tibbitts

Approved for public release; distribution unlimited.

AD NO. ____
DDC FILE COPY,

DDC
RECEIVED
MAY 3 1977
D

SECURITY CLASSIFICATION OF THIS PAGE (When Data Entered)

REPORT DOCUMENTATION PAGE		READ INSTRUCTIONS BEFORE COMPLETING FORM
1. REPORT NUMBER	2. GOVT ACCESSION NO.	3. RECIPIENT'S CATALOG NUMBER
4. TITLE (and Subtitle) Planning, Programming and Budgeting for Resource Allocation in the United States Coast Guard.		5. TYPE OF REPORT & PERIOD COVERED Master's Thesis; December 1976
		6. PERFORMING ORG. REPORT NUMBER
7. AUTHOR(s) Richard John Losea		8. CONTRACT OR GRANT NUMBER(s)
9. PERFORMING ORGANIZATION NAME AND ADDRESS Naval Postgraduate School Monterey, California 93940		10. PROGRAM ELEMENT, PROJECT, TASK AREA & WORK UNIT NUMBERS
11. CONTROLLING OFFICE NAME AND ADDRESS Naval Postgraduate School Monterey, California 93940		12. REPORT DATE December 1976
		13. NUMBER OF PAGES 125
14. MONITORING AGENCY NAME & ADDRESS(if different from Controlling Office) Naval Postgraduate School Monterey, California 93940		15. SECURITY CLASS. (of this report) Unclassified
		15a. DECLASSIFICATION/DOWNGRADING SCHEDULE

16. DISTRIBUTION STATEMENT (of this Report)

Approved for public release; distribution unlimited.

17. DISTRIBUTION STATEMENT (of the abstract entered in Block 20, if different from Report)

18. SUPPLEMENTARY NOTES

19. KEY WORDS (Continue on reverse side if necessary and identify by block number)

Resource Allocation
Planning, Programming, Budgeting (PPB)
U. S. Coast Guard

20. ABSTRACT (Continue on reverse side if necessary and identify by block number)

Resource allocation is the process by which strategic decisions are made by an organization's management with regard to the question, "who gets what, when and how." It is during this process that management must tackle and find an answer to the problem, "How do I get the resources I need to do what must be done?" →

DD FORM 1 JAN 73 1473 (Page 1) EDITION OF 1 NOV 65 IS OBSOLETE S/N 0102-014-6601

SECURITY CLASSIFICATION OF THIS PAGE (When Data Entered)

20. Abstract (cont'd)

The purpose of this thesis is to describe those individual subprocesses used by the United States Coast Guard to answer the above questions. Attention is focused on current Coast Guard procedures and practices, and those factors, both internal and external to the service, which influence the process of resource allocation in the Coast Guard.

ACCESSION for
NTIS White Section
DDC Buff Section
UNANNOUNCED
JUSTIFICATION
BY
DISTRIBUTION/AVAILABILITY CODES
Dist. AVAIL. and/or SPECIAL
A

Planning, Programming and Budgeting For Resource Allocation In the United States Coast Guard

by

Richard John Losea
Lieutenant, United States Coast Guard
B.S., United States Coast Guard Academy, 1969

Submitted in partial fulfillment of the requirements for the degree of

MASTER OF SCIENCE IN MANAGEMENT

from the

NAVAL POSTGRADUATE SCHOOL
December 1976

Author Richard John Losea

Approved by: Jonathan O. Roberts
Thesis Advisor

Louis K. Pitzer DBA
Second Reader

Chairman, Administrative Sciences Department

David A. Schrady
Dean of Information and Policy Sciences

DDC
RECEIVED
MAY 3 1977
D

ABSTRACT

Resource allocation is the process by which strategic decisions are made by an organization's management with regard to the question, "Who gets what, when and how?" It is during this process that management must tackle and find an answer to the problem, "How do I get the resources I need to do what must be done?"

The purpose of this thesis is to describe those individual subprocesses used by the United States Coast Guard to answer the above questions. Attention is focused on current Coast Guard procedures and practices, and those factors, both internal and external to the service, which influence the process of resource allocation in the Coast Guard.

TABLE OF CONTENTS

I. RESEARCH QUESTION ---------- 8

A. INTRODUCTION ---------- 8

B. RESEARCH OBJECTIVES ----------10

C. RESEARCH SCOPE AND ORGANIZATION ----------11

II. AN OVERVIEW OF THE RESOURCE ALLOCATION PROCESS -14

A. MISSIONS OF THE U.S. COAST GUARD ----------14

B. PROGRAM STRUCTURE ----------16

C. PROGRAM MANAGEMENT ----------20

D. PHASES OF THE RESOURCE ALLOCATION PROCESS --23

III. PLANNING FOR RESOURCE ALLOCATION ----------28

A. GENERAL DISCUSSION ----------28

B. COAST GUARD WIDE PLANNING ----------30

C. PROGRAM PLANNING ----------32

D. FIELD PLANNING ----------35

E. MULTI-PROGRAM PLANNING ----------41

F. TRANSITION TO THE "REAL WORLD" ----------42

IV. PROGRAMMING FOR RESOURCE ALLOCATION ----------44

A. THE DETERMINATIONS ----------44

B. THE RESOURCE CHANGE PROPOSAL ----------48

C. FORMULATION OF THE SPRING PREVIEW ----------51

V. BUDGETING FOR RESOURCE ALLOCATION ----------59

A. THE OST STAGE BUDGET ----------59

B. THE OMB STAGE BUDGET ----------63

C. THE CONGRESSIONAL STAGE BUDGET ----------69

D. THE BUDGET EXECUTION STAGE ----------84

VI. CONCLUDING REMARKS ----------91

APPENDIX A GLOSSARY OF TERMS ----------93

APPENDIX B FIELD PLANNING DOCUMENTS ----------98

APPENDIX C RESOURCE CHANGE PROPOSAL ----------110

APPENDIX D RCP SCORING SHEET ----------117

APPENDIX E AC & I JUSTIFICATION SHEET ----------118

APPENDIX F SCHEDULE OF PROGRAMMING EVENTS ----------119

LIST OF REFERENCES ----------123

INITIAL DISTRIBUTION LIST ----------125

LIST OF FIGURES

1. U.S. Coast Guard Organization Chart ----------18

2. Program Structure ----------19

3. Planning and Programming Process Block Diagram ---24

4. The Budgetary Process ----------27

5. Strategic Planning Concepts ----------29

6. AC&I Project Proposal Report Flow ----------40

7. Resource Change Proposal Flow ----------52

8. Planning Factors Development and Distribution ----87

I. RESEARCH QUESTION

A. INTRODUCTION

Resource allocation is the process by which decisions are made by an organization's management with regard to the question "Who gets what, when, how?" [9] It is during this process that management must tackle and find an answer to the problem: "How do I get the resources I need to do what must be done?" [19]

In the private sector, where a business organization is primarily motivated by profit, management is assisted in the resource allocation decision-making process by the existence of the "marketplace's" pricing mechanism. In the "marketplace," decisions made by individual consumers concerning the price they are willing to pay for certain commodities or services constitute an important determinant of how a firm chooses to allocate its scarce resources among alternative uses.

In the public sector, however, the problem of satisfying competing human wants or needs by the proper allocation of limited resources is somewhat more difficult. Without the benefit of a pricing mechanism to guide the decision process, finding the answer to the question, "Who gets what, when

and how?" must necessarily fall into the realm of public policy choice. Thus, the government manager, when faced with the problem of committing scarce resources among the various competing needs, is in fact involving himself in the process of establishing public policy.

Over the years many researchers have inquired into the nature of public policymaking. Resulting from this research several commonly noted models have been advanced to describe how policy decisions are arrived at. Thomas D. Lynch's Policy Analysis in Public Policymaking provides an excellent review and cites the following as major public policy decision models: 1) Lindblom's "incremental change model," Wildavsky's "budgetary process model," Simon and March's "satisficing model," Dror's "optimum model," and Wallen's "stages of problem solving model." [10]

Joseph Bower [1] approaches the problem of resource allocation somewhat differently. In his book, Managing the Resource Allocation Process, Bower maintains that resource allocation is really a general management problem that "involves those strategic moves which direct an organization's critical resources toward perceived opportunities in a changing environment." Bower views the resource allocation process as something more than a series of policy decisions which rationalize the actions taken. Rather, he envisions

the processes by which resources are committed to encompass the following full range of managerial activities: "(1) intellectual activities of perception, analysis, and choice which are often subsumed under the rubric 'decision making'; (2) the social process of implementing formulated policies by means of organizational structure, systems of measurement and allocation, and systems for reward and punishment, and finally (3) the dynamic process of revising policy as changes in organizational resources and the environment change the context of the original policy problem."

B. RESEARCH OBJECTIVES

Tentatively accepting Bower's hypothesis that resource allocation is in fact a general management problem that "involves those strategic moves which direct an organization's critical resources toward perceived opportunities in a changing environment," this thesis will attempt to provide the reader with an accurate description of those individual subprocesses, both internal and external to the organization, which constitute the holistic process of resource allocation in the Coast Guard.

A secondary objective of this study is to verify the following general observations made by Rear Admiral R. H. Scarborough, Chief of Staff, United States Coast Guard,

about the process of resource allocation in the Coast Guard [12]:

> 1. Despite the fact that manuals and textbooks would lead one to believe that the process is "pretty well institutionalized" as a step-by-step, set in concrete procedure, resource allocation is not a trivial manipulation of techniques. It is "an art form not a science." It is a dynamic process that is constantly changing, evolving and responding to the environment within which it functions and the personalities involved.
>
> 2. Although certain participants may dominate major portions of the process, no one individual or group of individuals dominates the entire process. Resource allocation is essentially "a microcosm of the democratic process, with many voices being expressed in the final product."
>
> 3. The process is basically "adversary in nature," where the decision renderer for one step of the process must reverse his role to become the advocate in the next step. This adversary procedure is so designed that only the "fittest, best justified programs survive the process.
>
> 4. The budget, which is "the written plan for resource allocation," is a dynamic document that changes as it moves through the process in response to both internal and external inputs and pressures of those who participate in the process.

C. RESEARCH SCOPE AND ORGANIZATION

The scope of this research effort is a part of a larger, ongoing effort being conducted at the United States Coast Guard Academy, by Commander Louis K. Bragaw, USCG. Copyrighted material made available by Commander Bragaw appears

here with his permission, and should not be quoted or printed elsewhere without his permission.

By agreement, the scope of this thesis has been intentionally restricted to a description of the "mechanics" of the resource allocation process. Because this process is fairly centralized, the primary emphasis of this thesis has been placed at the macro or Headquarters level, with those important inputs from the field organizations also being noted. Discussions will center around the formulation of plans and decisions regarding the allocation of resources. Therefore, little attention will be paid to the actual execution phase as the budget year progresses.

Chapter II provides an overview of the entire process of resource allocation in the Coast Guard. Topics of discussion include the Coast Guard's missions (the concept of "what must be done"), program structure and management, and a general description of the phases of the Coast Guard resource allocation process.

Chapter III deals with the subject of "Planning for Resource Allocation." This chapter will focus on certain key planning documents as it traces resource allocation planning flows at four distinct levels within the Coast Guard.

Chapter IV, entitled "Programming for Resource Allocation," describes the process whereby the gap between the idealism of planning and the "real world" nature of budgeting is bridged. The chapter will key on those documents and procedures leading to the formulation of the "Spring Preview."

Chapter V discusses "Budgeting for Resource Allocation." Of primary interest in this chapter is the interaction and participation of individuals and organizations outside the Coast Guard.

Chapter VI contains several concluding remarks which attempt to summarize and highlight those important concepts which are key to a clear understanding of the Coast Guard resource allocation process.

Appendices are included as a supplement or elaboration of material presented in the text. Appendix A is a glossary of terms. Appendices B through E contain copies of certain key documents in the Coast Guard resource allocation process, and Appendix F is a schedule of events in the FY76, FY77 and FY78 programming cycle.

II. AN OVERVIEW OF THE RESOURCE ALLOCATION PROCESS

A. MISSIONS OF THE U.S. COAST GUARD

Prior to answering the question, "How do I get the resources I need to do what must be done?", an identification of "what must be done" must first occur. This identification process involves a stepping back from the day to day operations to ask the question, "what are we really trying to accomplish?"

According to Uyterhoeven [21], this process by which an organization defines its "business" ("identification of strategic profile") is one of the first steps to be taken in the development of a corporate strategy. He goes on to note that this "strategic profile" is not always the result of explicit decisions made internally within the company, but rather it is shaped by both the company's internal resources and the external environment.

The Coast Guard's "strategic profile," just like that of the private firm, is constrained by factors external to the service. As a multi-missioned agency which operates under the Department of Transportation during peace time, and becomes an integral part of the Navy at the President's direction in time of war, the Coast Guard's external

constraints take the form of Executive and Legislative Mandates. Most notable of these mandates is Title 14, United States Code Annotated, which contains not only the statutory authority for the Coast Guard, but also provisions outlining the general organization, functions and responsibilities of the service. Thus, over the years the Coast Guard's "strategic profile" has changed, evolved and been shaped by the environment in which the service functions until today, when the Coast Guard's "business" has come to be defined by the following seven strategic objectives or missions [17]:

1. To minimize loss of life, personal injury and property damage on, over and under the high seas and waters subject to United States jurisdiction.

2. To facilitate waterborne activity in support of national economic, scientific, defense and social needs.

3. To maintain an effective, ready, armed force prepared for and immediately responsive to specific tasks in time of war or emergency.

4. To assure the safety and security of ports and waterways and their related shoreside facilities.

5. To enforce Federal laws and international agreements on and under waters subject to United States' jurisdiction and on and under the high seas where authorized.

6. To maintain or improve the quality of the marine environment.

7. To cooperate with other governmental agencies and entities (Federal, state and local) to assure efficient utilization of public resources.

It is, therefore, these seven Coast Guard missions which broadly define and identify "what must be done." However, a major portion of the question "How do I get the resources I need to do what must be done?" yet remains unanswered. Most of the succeeding sections of this thesis will be devoted to providing the answer to the all important "how" question.

B. PROGRAM STRUCTURE

Fundamental to an understanding of the "how" of resource allocation in the Coast Guard is the concept of the program, because it is at the program level that the service's activities are managed and supported to the Department of Transportation. The Coast Guard defines a program as "a major Coast Guard endeavor, mission oriented, which fulfills statutory or executive requirements, and which is defined in terms of the principle actions required to achieve a significant end objective."[19] The "significant end objectives" referred to in this definition include those broad strategic objectives or missions mentioned in the previous section. In support of one or more of these basic Coast Guard missions, the goals of each program area are defined by a series of more detailed and specific subobjectives.

In order to facilitate the accomplishment of program missions or goals, Coast Guard Headquarters is organized around "program" and "support" areas. In addition to important administrative functions, each of the offices depicted in Figure 1 holds primary responsibility for one or more of the fourteen mission-oriented programs or thirteen internal support programs. Figure 2 provides a current listing of program and support areas and the Headquarters' offices responsible for their administration.

At this point, prior to discussing program management, it should be noted that the Coast Guard program structure is not by any means static in nature. Rather, the program structure is constantly evolving and changing to reflect the changing roles and missions of the Coast Guard. Thus, the dynamic nature of the structure allows new programs to be added or current ones to be eliminated, expanded or reduced in scope. This modification of the program structure may be accomplished either through an internal "bottom up" organizational planning process, or through a "top level" process of internal or external issue generation. The subject of program change will be discussed further in Chapters Three and Four.

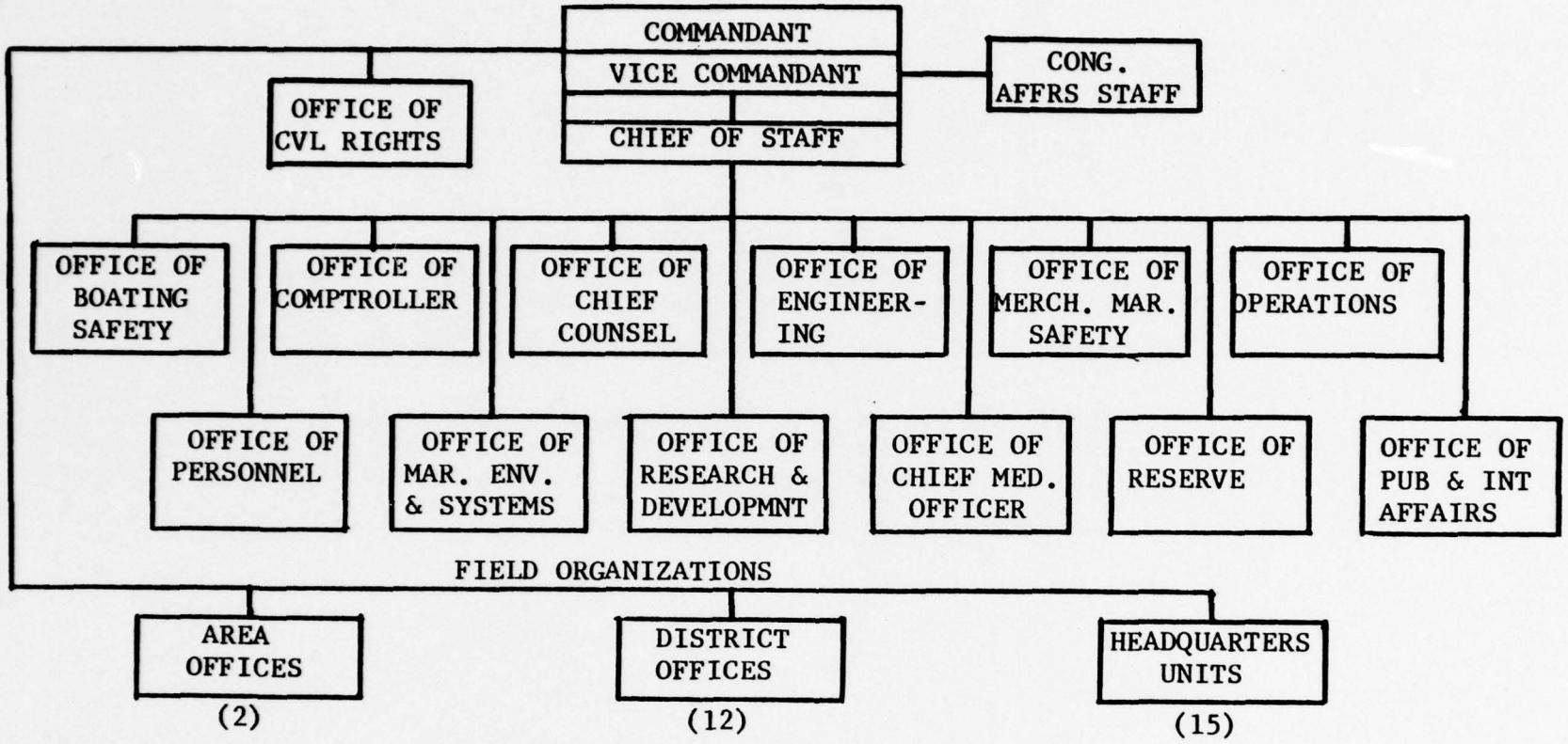


Figure 1. U.S. Coast Guard Organization

Program Area	Program		Program Director	Program Manager
Search and Rescue	Search and Rescue	SAR	Chief, G-O	Chief, G-OSR
Aids to Navigation	Short Range Aids to Navigation	AN	Chief, G-W	Chief, G-WAN
	Radionavigation Aids	RA	Chief, G-W	Chief, G-WAN
Bridges	Bridge Administration	BA	Chief, G-W	Chief, G-WBR
Marine Safety	Commercial Vessel Safety	CVS	Chief, G-M	Depaty G-M
	Recreational Boating Safety	RBS	Chief, G-B	Deputy G-B
Marine Environmental Protection	Port Safety and Security	PSS	Chief, G-W	Chief, G-WLE
	Marine Environment Protection	MEP	Chief, G-W	Chief, G-WEP
Ocean Operations	Ice Operations	IO	Chief, G-O	Chief, G-OOO
	Marine Science Activities	MSA	Chief, G-O	Chief, G-OOO
	Enforcement of Laws and Treaties	ELT	Chief, G-O	Chief, G-OOO
Military Readiness and Operations	Military Operations	MO	Chief, G-O	Chief, G-OMR
	Military Preparedness	MP	Chief, G-O	Chief, G-OMR
Reserve Training	Coast Guard Reserve Forces	RT	Chief, G-R	Deputy G-R
Support Area			**Support Director**	**Support Manager**
General Support	General Administration	GA	G-CCS	Chief, G-CPA
	Communications Services Support	GAC	Chief, G-O	Chief, G-OTM
	Personnel Support	GAP	Chief, G-P	Deputy G-P
	Engineering Support	GAE	Chief, G-E	Note 1
	Financial Mgmt., Personal, Supply and Auto. Info. Systems Support	GAF	Chief, G-F	Deputy G-F
	Research, Development, Test & Evaluation Support	GRD	Chief, G-D	Deputy G-D
	Medical Support	GAK	Chief, G-K	Chief, G-KMA
	Legal Support	GAL	Chief, G-L	Deputy G-L
	Safety Program Support	GAS	G-CCS	Chief, G-CSP
	Civil Rights Support	GAH	Chief, G-H	Deputy G-H
	Public & Int. Affairs Support	GAA	Chief, G-A	Deputy G-A
	Intelligence & Security Support	GAI	Chief, G-O	Chief, G-OIS
	Retired Pay	RP	Chief, G-P	Deputy G-P

Note 1: Chief, G-ECV, G-ENE, G-EEE, G-EOE, G-EAE as appropriate.

Figure 2. Program Structure

C. PROGRAM MANAGEMENT

Equally important to an understanding of the "how" of resource allocation in the Coast Guard is a knowledge of who the principal participants are, their specific responsibilities and finally their relationship to the other participants. The "players" participating in the Coast Guard resource allocation process can be divided into two major categories: 1) those personnel and offices internal to the Coast Guard, and 2) those individuals and organizations external to the Coast Guard. At this point, concern will be directed toward internal program management. Later chapters will deal with the process once it has left the Coast Guard and begun to feel the effects of outside participation.

Although the ultimate responsibility for the proper management of the Coast Guard program structure and the process through which the men, women, ships, aircraft and shore facilities are allocated among the various programs rests with the Commandant, it is the Chief of Staff who is most directly concerned with the day-to-day operations of the resource allocation process. Armed with strategic guidance from the Commandant, the Chief of Staff is responsible for the coordination, development and execution of all Coast Guard programs.

Assisting the Chief of Staff in this function are three divisions from within his office which provide the central staff responsibility for resource allocation in the Coast Guard. These three divisions include: the Plans Evaluation Division (CPE), which may be described somewhat simplistically as concerned mainly with "long-term" planning [6]; the Programs Division (CPA), the division that seeks to bridge the gap between futuristic planning and present needs; and the Budget Division (CBU), the division that is responsible for budgeting the available resources among the various approved programs.

The orientation of the Commandant and the Chief of Staff's Office is toward meeting the overall objectives of the Coast Guard. However, one level below at the Office Chief level, the immediate concern is with individual programs. Each program area has a Flag officer, who is chief of the related office at Headquarters (see Figures 1 and 2), designated as Program Director (PD). The Program Directors are immediately responsible to the Commandant for the overall management of their assigned program areas. Reporting directly to each Program Director are one or more Program Managers (PM's). Program Managers are the staff officers who are responsible for the detailed management of the individual programs.

Although the Planning and Programming Manual [19] implicitly charges both Program Directors and Managers with the "responsibility for the accomplishment of program objectives effectively and efficiently by short and long-range planning, programming and use of personnel and material resources," the emphasis of each officer's job is slightly different. Whereas the Program Director is the focal point at which major policy decisions are translated into plans, programming and budgeting, the Program Manager (the Program Director's "implementing and reviewing arm" for the program) is deeply involved with the "nuts and bolts" of detailed planning, programming, budgeting and program execution. Thus, the Program Manager level could very well be classified as the heart of the Coast Guard resource allocation process, for it is at this level that the vast majority of program documentation, studies and reports are staffed.

Also included in the list of primary participants in the Coast Guard resource allocation process are the Support Directors and Managers. Support Directors (SD's) are responsible to the Program Directors for the day-to-day logistical administration of ongoing program activities, and for providing dollar estimates for various existing or proposed activities. Providing the actual detailed

management of the support programs are the Support Managers (SM's). The support program structure is depicted in Figure 2.

D. PHASES OF THE RESOURCE ALLOCATION PROCESS

Resource allocation in the Coast Guard is an extremely complex process consisting of many discrete actions and several different subprocesses. The Coast Guard's Planning and Programming Manual, however, has identified three key phases in the resource allocation process as it occurs in the Coast Guard. These three phases of planning, programming, and budgeting for resource allocation are depicted in Figure 3.

During the planning and programming phases of resource allocation issues are identified, policy and strategic program development occurs, and existing programs are reviewed. Those issues requiring the attention of Coast Guard planners are identified by top level Coast Guard management. Keyed by external events and internal plans, the Commandant and Program Directors provide strategic guidance to the multi-level "bottom up" planning process. This strategic guidance provides a common direction to the "building block" planning efforts at the field, program, multi-program and Coast Guard wide levels. Culminating in the "Spring Preview," the

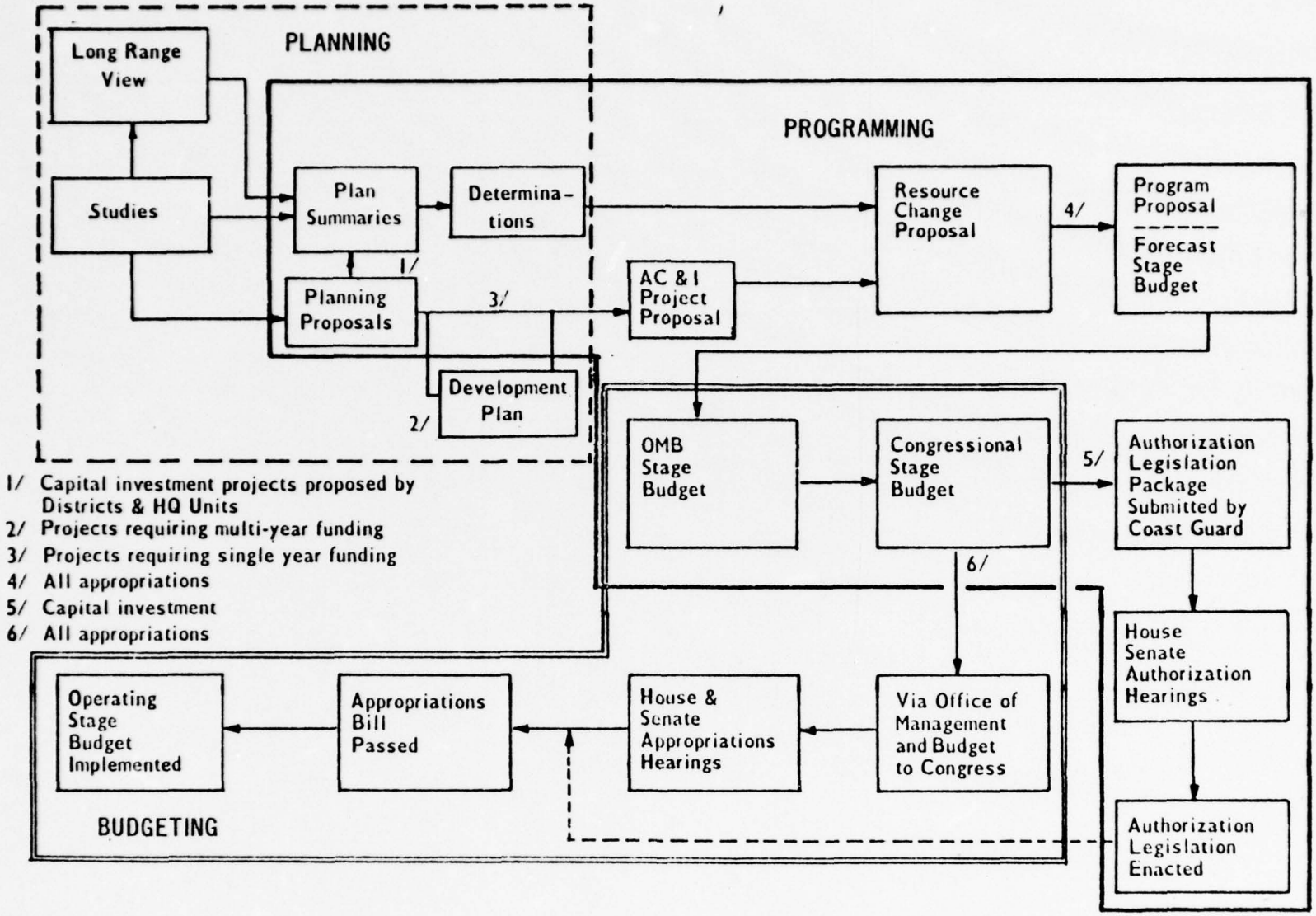


Figure 3. Planning and Programming Block Diagram

planning and programming phases, which are subject to a continuous process of review, are characterized by intense competition between programs. Chapters 3 and 4 will review in depth the subjects of planning and programming for resource allocation in the Coast Guard.

The budgeting phases of Coast Guard resource allocation commences with the submission of the Spring Preview to the Department of Transportation. As this budget request leaves the Coast Guard and passes through the four phases of review and adjustment (OST stage, OMB stage, Congressional stage, and Operating stage), the internal process of budgeting for resource allocation is subjected to the scrutiny and influence of participants external to the Coast Guard. Chapter Five's discussions center on the resource allocation process once it has left the atmosphere of exclusive internal Coast Guard control.

Prior to turning to a detailed examination of the planning function in the Coast Guard resource allocation process, one caution is in order. Although the entire procedure has been described as a thirty-four month cycle, with planning and programming taking place during the first twelve months, budget preparation and execution during the last twelve, and programming and budgeting occuring during the intervening ten months [18], the reader would be laboring

under a misconception if he considered the resource allocation process to consist of three discrete subprocesses accomplished in a strict sequential order. The fact is, however, that not only are the divisions between planning, programming and budgeting for resource allocation somewhat hazy, but also the three phases themselves are all occuring simultaneously, each for a different budget year. Figure 4 depicts this "layering process" whereby the Program Managers, at any given point in time, are not only involved in the implementation of the operating stage budget for the current year but also busy: 1) monitoring the progress of the budget for the upcoming budget year as it proceeds from DOT to OMB and eventually to Congress and 2) developing and firming up programs for the current year-plus-two (CY + 2). Not shown in Figure 4 are the effects on the resource allocation process imposed by the Congressional Budget and Improvement Control Act of 1974. Commencing with FY79, this legislative mandate will require that the annual budget request submission to Congress consist of two budgets (BY and BY+1). This additional requirement, which further complicates the already complex resource allocation process, is designed to give the newly created Congressional Budget Office (CBO) one full year to analyze a given budget request and determine its impact on the national economy.

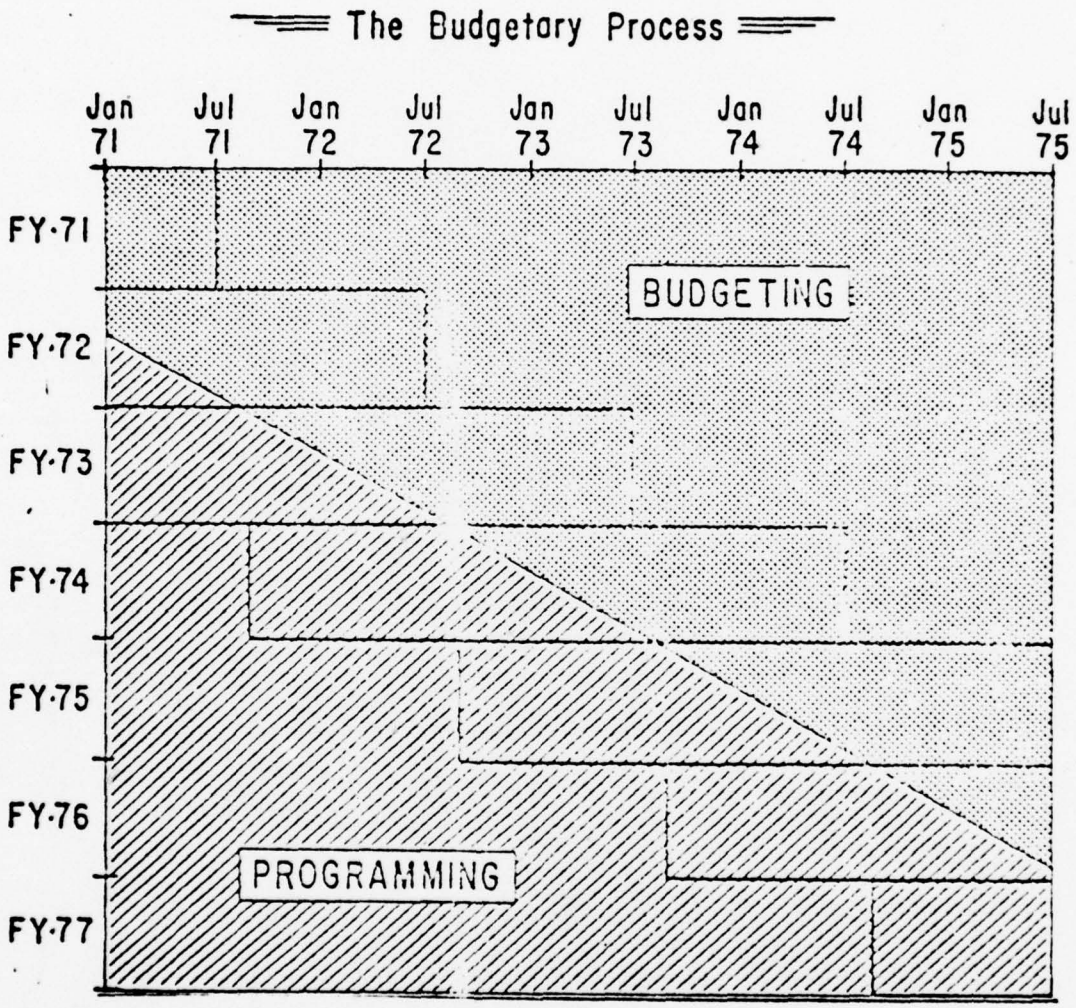
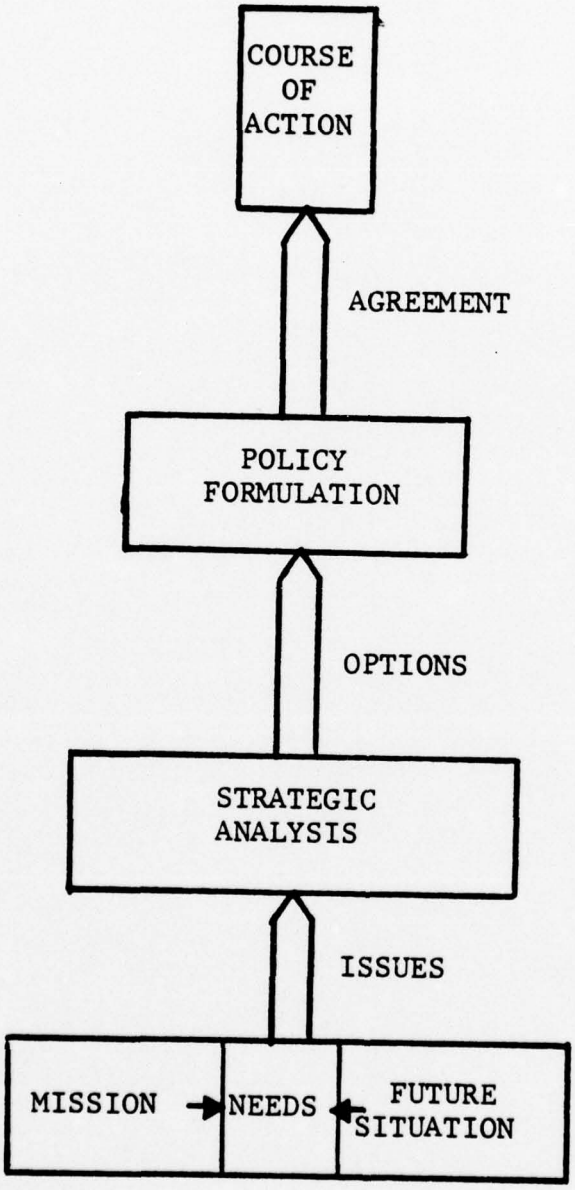


Figure 4. The Budgetary Process

III. PLANNING FOR RESOURCE ALLOCATION

A. GENERAL DISCUSSION

"Planning is an integral part of goal oriented management." [8]. As such, the properly executed planning function provides a sense of direction to an organization by specifying those activities the organization "intends to pursue over some future period." [8] Planning commences with an awareness of the organization's "strategic profile," i.e., its mission. Once the mission has been defined, the planner, according to Charles M. Mottley [11], "is responsible for detecting and defining the foreseeable issues, setting the organization's objectives - being able to say which ones are the most important - charting the course of action and seeing that the right resources are provided at the right place and time, with the right quality, in the right quantity." Mottley further points out that planning done properly should provide sufficient flexibility to allow for changing circumstances that require a change in the course of action being contemplated. Figure 5 presents schematically Mottley's conceptualization of the planning process within an organization.



Source:
"Strategic Planning"
Charles M. Mottley

Figure 5. Strategic Planning Concepts

In the Coast Guard, the planning functions described by Mottley are accomplished at four discernible levels: field planning, program planning, "multi-program planning" and Coast Guard wide planning. Each of these planning levels provide an input into the overall planning process that culminates in the Spring Preview. This process, complete with the interactions and feedbacks between the four planning levels, will be examined more closely in the sections that follow.

B. COAST GUARD WIDE PLANNING

Planning for resource allocation in the Coast Guard can be said to begin with the publication of the Commandant's "Long Range View." In this document, which is drafted by the Plans Evaluation Division (CPE) with inputs from the various Program Directors and Managers, the Commandant provides his view of the environment in which the Coast Guard will be operating during the next ten years.[1] Included are discussions of those aspects of society the Coast Guard will face between now and the year 1986: "the economy, the nature and scope of marine activities, and the probable

---

[1]Some of the more general studies, however, have used a twenty-five year time frame for planning purposes.

public expectations of the Coast Guard." [12] For example, as Elliot [6] points out, the 1973 document [15]:

> begins by underscoring the rapid change in modern society and the fact that "as a military sea-going agency, the Coast Guard will be affected by this change to an extent as great or greater than other organizations ..." Changes will come not in operations, but in the "character and social constructs" of the Coast Guard. A move toward more regulative and administrative duties will effect an evolution of the military role, the training and the sea-going character of the service; a "people orientation" will demand new approaches to women in the service, recruiting, retention of personnel, and civilianization of certain jobs. And, through all of these changes, the Coast Guard must fulfill its objectives in a budgetary climate of decided austerity.

In addition to providing projections of future environmental and technological trends, the Long Range View also contains statements of "where we want to be." Starting with the broad mission areas, discussed earlier in this work, the Commandant enumerates the policy and/or policy changes required to meet those strategic objectives. This process of deciding where the Coast Guard intends to be in the future must not only consider any internal changes dictated by the mission requirements, but also any demands placed on the missions themselves by the external environment.

As an instrument of Coast Guard wide planning, the Long Range View is not a Coast Guard "master plan," but rather an attempt to "align the thinking on all of the different planning levels, ... to push away from the day-to-day

method of doing business and add depth to Coast Guard planning." [6] To this end, no action is required on the part of the recipients of the Long Range View, with the full intent of the document being reflected by the cover letter, which states in part that the Long Range View is:

> ... intended to provide a common foundation on which to base planning for the future of the service. It is not to serve as a substitute for planning, but rather as an aid for such planning. [15]

Thus, this document, in providing Coast Guard planners with "strategic guidance" from above, forms the foundation upon which the individual program plans are built.

C. PROGRAM PLANNING

The "bottom up" planning process of resource allocation in the Coast Guard begins with the development of the individual program "Plan Summaries." Starting with their program's current position, each Program and Support Manager must create a "blueprint" of program action over a ten year planning horizon based on the strategic objectives, policy guidance and projections provided in the Long Range View.[2] Figure 3 shows the Plan Summaries' position within the overall process of planning for resource allocation in the Coast Guard.

---

[2]Some work must extend from a ten to twenty-five year time horizon.

These Plan Summaries, which represent long-range thinking at the program level, can take the form of either Operating or Support plan summaries. Operating Plans are drafted by the individual Program Managers, and may include calls for new policy decisions, changed operating procedures, relocation of existing resources or the addition of new resources. Based on these operating plans, subsidiary Support Plans are then developed to provide the internal assistance and logistical support needed to carry out the contemplated program operations. [12]

Each Plan Summary consists of three basic sections. The first section relates the individual program's objectives to the seven Coast Guard wide strategic objectives, as set forth in Chapter Two. The second part of each Plan Summary contains a detailed summary of the program plans which includes: 1) program subobjectives; 2) any factual or judgmental premises made during the planning process; 3) identifiable subobjective goals for the near-term (1-5 years), mid-term (6-10 years), and long-term (beyond 10 years) time frames; and 4) specific implementation steps and support needs for the near-term plans. The third section of each Plan Summary, called Program Outlooks, consists of a brief "easily readable" narrative "designed to provide the reader

with a general feel for overall Coast Guard planning in that area." [16]

Draft Operating and Support Plan Summaries are submitted annually, in April and June respectively, to the Plans Evaluation Division (CPE) for review and comment. CPE reviews each program's plans for consistency with Coast Guard wide objectives and planning. Based upon CPE's comments, smooth versions of the Operating and Support Plans are prepared for the Chief of Staff's signature. Once issued, use of the Plan Summaries is restricted to Headquarters planning staffs, with the exception of the Program Outlooks sections which "have been judged appropriate for planning in the field." [16]

Although issue of the Plan Summaries does not constitute an approval of the planning statements made therein, the documents serve two important stated purposes: 1) they "give visibility to program planning" and 2) they provide a "useful element in considering priorities for proposed budgetary actions." [17] More importantly, however, the process of developing the Plan Summaries has the indirect effect of "sharpening up" the participants for the adversary situations each is to face shortly. Not only is each Program Manager forced by this process into distilling the thrust of his program into concise goals which are directly related

to those of the Coast Guard as a whole, but this process also provides top Coast Guard management with the information needed to face the adversary justification process that occurs once the budget has left inner Coast Guard circles.

D. FIELD PLANNING

"A very necessary element in any system of management must be feedback from the operational portions of the organization." [6] Up to this point, the planning for resource allocation which takes place at the Coast Guard wide and Program levels has been concentrated at the Headquarter's planning staff level, where the emphasis is on the identification of strategic program needs. Helping to translate these generalized needs into specific requests for men, money, and material is one of the jobs of a third level of planning in the Coast Guard resource allocation process. This third level of planning flow is the field planning, which occurs at the two Area Commands, the twelve District Offices, and certain major Headquarters Units (e.g., U.S. Coast Guard Academy, Yorktown Reserve Training Center, Alameda and Cape May Training Centers, Governor's Island, etc.). The specific input of the field into the resource allocation planning process is primarily accomplished through

the use of three different documents - "Planning Proposals," "Unit Development Plans" and "AC&I Project Proposal Reports." Figure 3 shows how these field documents fit into the overall process of planning for resource allocation in the Coast Guard. Appendix B contains examples of several field planning documents.

The capital investment decision process commences in the field with the submission of a Planning Proposal to Headquarters. This document is designed to be utilized by a District Commander or commanding officer of a Headquarters unit when a change to an existing situation or existing plan at any unit under his command is desired. [19] Although Planning Proposals are generally concerned with capital investment projects (excluding aircraft and ships) which involve multi-year Acquisition, Construction and Improvement (AC&I) funding, the projects proposed in these documents may also involve single-year Operating Expense (OE) funds. Appendix B-1 contains a table listing the criteria for inclusion of projects under AC&I funding.

Because the number of proposals far exceed the resources available, each Planning Proposal must be well documented in order to survive the adversary justification process present in the Coast Guard resource allocation system. Properly documented Planning Proposals must commence with an explicit

statement of the existing problem that the proposal seeks to solve.

Once the problem has been identified each proposal must justify why a change is considered necessary. Included in this justification are:

1. A statement of both current and projected mission workload.

2. An appraisal of the situation in terms of the adequacy or inadequacy of existing resources to do the job.

3. A listing, complete with general cost or savings data, of all considered alternative solutions to the problem.

4. A statement of, and the rationale behind, the recommended solution.

Also to be included in each Planning Proposal are statements concerning the displacement of persons from housing, the environmental impacts of the proposed solution, and finally the impact on the requesting unit if the proposal is rejected. Appendix B-2 contains an example of an actual Planning Proposal letter from a District Commander.

The primary purpose of the Planning Proposal is to obtain operational approval for a project before a great deal of time and effort is expended on detailed engineering and design work. [19] Once received at Coast Guard Headquarters, each proposal is reviewed by the Plans Evaluation (CPE) and Programs (CPA) Divisions to determine its consonance with

long range Coast Guard wide planning. The cognizant Program and Support Managers also review each Planning Proposal for conformity with existing program and support planning. Upon approval and entry as a serious contender into the resource allocation programming process, each approved Planning Proposal generally must be followed by the more detailed AC&I Project Proposal Report.

Not all units are required to submit Planning Proposals prior to the AC&I Project Proposal Reports. Certain Headquarters units which normally receive multi-year AC&I funding (e.g., Academy, Yorktown, Alameda, Cape May and Governors Island) are required to maintain unit Development Plans. These "master plans," which include site development plans, very general design data, financial plans, and construction schedules, can be described as time-phased, multi-year construction plans. Once the plan, as a whole, has passed through a review process similar to that encountered by the Planning Proposals, each phase of the plan must be individually justified by the submission of a detailed AC&I Project Proposal Report. Appendix B-3 provides an example of the required Development Plan format.

Once a project or phase of a project has become a serious contender in the resource allocation programming process, the general information contained in the Planning Proposals

and Development Plans must be expanded and elaborated. This is accomplished by the submission of an AC&I Project Proposal Report. This document, which "goes into great detail in laying out design and engineering concepts, cost data, engineering alternatives, environmental and housing impact, etc." [6], is subject to review at three levels to determine the proposal's consonance with Headquarter's planning. At the Program-level the cognizant Program Director is concerned with seeing how the project proposal "fits in" with his program planning. Support Directors view each proposal to determine what support needs are involved. Finally, each project proposal is screened at the top management level by the Plans Evaluation (CPE) and Program Divisions for consonance with long range resource allocation plans. Once approved at all three levels of review, the specific operational requirements of the field planning join the overall planning flow as yet another voice in the Coast Guard resource allocation process. Figure 6 depicts the AC&I Project Proposal Report flow at Coast Guard Headquarters.

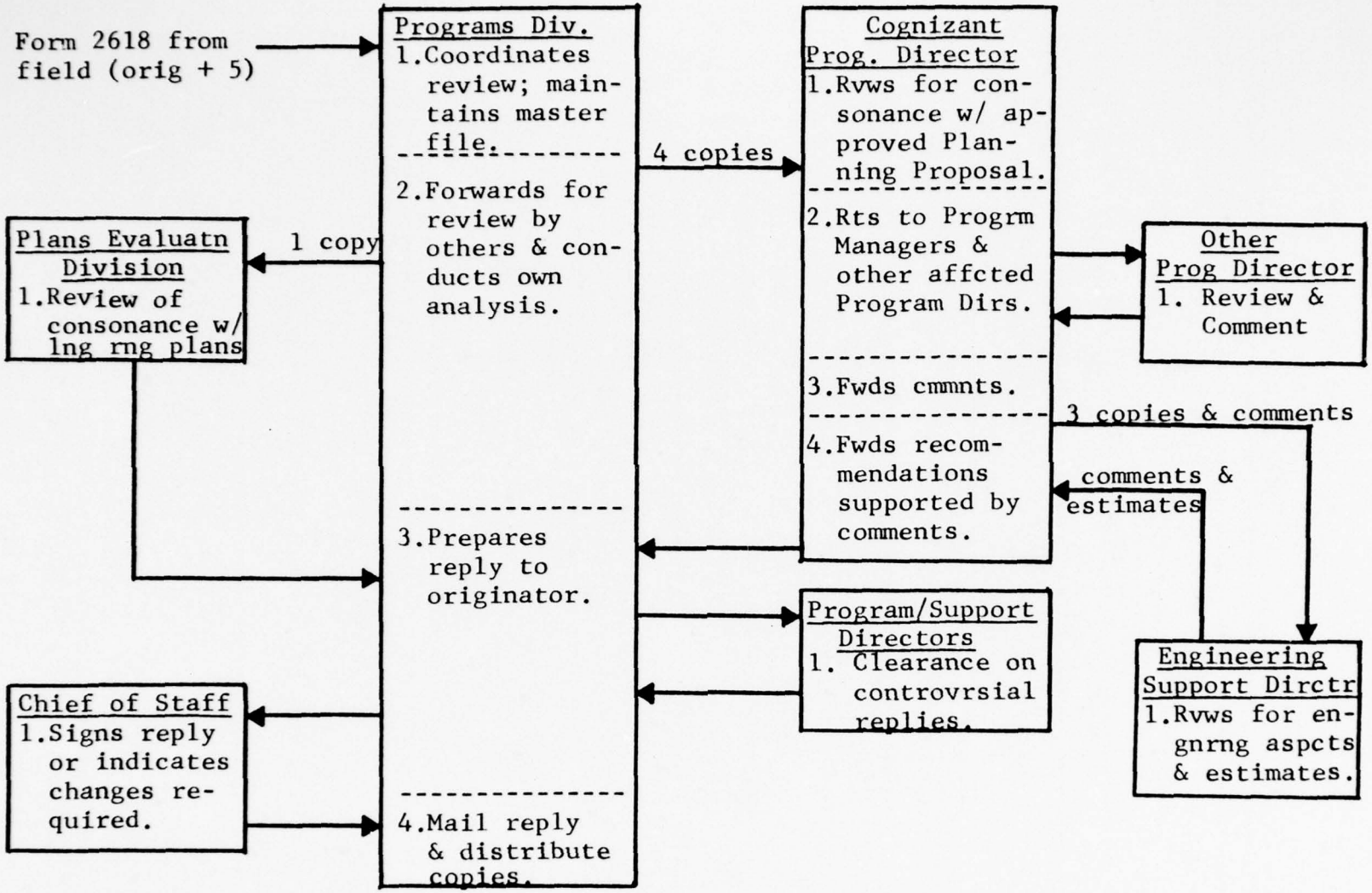


Figure 6. AC&I Project Proposal Report Flow

E. MULTI-PROGRAM PLANNING

In addition to the three levels of planning for resource allocation described above, Coast Guard planners must also take into account the multi-missioned nature of the service. The fact that generally most of the service's operational resources can, and often do, function in more than just one program area necessitates a fourth level of planning flow in the Coast Guard resource allocation process - multi-program planning.

Planning at the multi-program level is accomplished primarily through the use of the three "Facility Plans" (Cutters, Aviation and Shore Facility) developed in the Office of Operations at Coast Guard Headquarters. The planning incorporated in each of these specialized subsidiary planning documents transcends the boundaries between programs or mission areas. The "Cutter," "Aviation" and "Shore Unit Facility Plans" must "cut across" the planning incorporated in each program's plans in order to reduce the generalized near-term program needs into specific service-wide hardware and shore unit requirements. Thus, the ultimate goal of the "multi-program" facility planning is to provide the Coast Guard with those operational resources that are capable of meeting the diverse program needs of the service.

This multi-program planning flow serves an important purpose in the Coast Guard resource allocation process. Not unlike the field planning input, the Facility Plans' primary function is to inject the "specifics" into the overall process of planning for resource allocation in the Coast Guard.

F. TRANSITION TO THE "REAL WORLD"

Planning for resource allocation has an important implication for budgetary decisions in that, "only by planning what will be used in the future can a decision maker know what needs to be done now." [8] However, in order to be relevant to the process of budgeting for resource allocation, all plans must be tempered with the realism that in this world "you can't have everything."

Up to this point in the overall resource allocation process, Coast Guard planning has involved painting the "picture of what the ideal Coast Guard would look like." [12] Coast Guard planners, unconstrained by cost considerations, have been concerned primarily with peering up to 25 years in the future to chart the course of action they would like to see the Coast Guard follow. However, the immediacy of budgeting for resource allocation demands that a balance be struck between the ideal and the real world. Providing

this balance and bridging the gap between the idealism of planning and the real world nature of budgeting, is the job of programming for resource allocation. This second step in the overall resource allocation process is the subject of the next chapter.

IV. PROGRAMMING FOR RESOURCE ALLOCATION

A. THE DETERMINATIONS

The shift into the second phase of the Coast Guard's resource allocation process is marked by a distinct change in emphasis. As the staff responsibility for the overall process changes hands from the Plans Evaluation Division (CPE) to the Programs Division (CPA), the resource allocation decision making process begins to "zero in" on one particular year - the budget year. This "zeroing in process" is essentially the heart of the programming phase of the Coast Guard's system for allocating resources.

One of the first steps to be taken during the programming phase is the identification of those problems to be solved, and goals to be achieved during the budget year, which is yet some twenty-five months away. This issue identification occurs at the very top levels of Coast Guard management, and generally takes the form of discussions between individual Program Managers, the Programs Division (CPA) and the Commandant.

The Program Managers normally propose the agenda for these meetings, with the discussions keying on those plans advanced for the first year of the Plan Summaries. Of

special concern in these discussions are any operational or managerial concept changes the individual Program Managers may wish to implement in the upcoming budget. At this point an attempt is also made to identify program impacts, conflicts with long range plans, and any overlaps among the various programs. The direct result of these meetings, which dwell on concepts rather than costs, is the publication during the September/October time frame of a set of documents over the Commandant's signature called "The Determinations." As shown in Figure 3, these Determinations represent a transition from the planning to the programming phase of resource allocation.

At this point in the resource allocation process, concern is primarily directed toward deciding "who gets what" during the second fiscal year following the current year. As an integral part of this decision process, the Determinations drawn up for each individual program represent "the medium in which agreement is reached by all concerned on those problems and goals the solution or achievement of which warrant major emphasis in the forthcoming cycle and year." [19] In other words, the intent of the Determinations is to insure that all Coast Guard planning levels "are working toward the same mutually understood and approved end result" in the decision process for allocating resources which follows. [19]

The Determinations for each individual program are not long and rambling discourses. Rather, the required format of these three to four page documents demands a conciseness and precision in expression. Following the covering letter, in which the Chief of Staff outlines "the broad areas of thrust for the coming year" [19], each of the individual program Determinations is divided into the following five basic sections:

1. Premises. The Determinations commence with the "Premises," or statements of fact or judgment on which palnning is based.

2. Problems that Warrant Budgetary Emphasis. Each Program Manager must identify in the Determinations only those "highest priority problems that will require funding decisions this year and which are of sufficient import to warrant a place in the budget." [19] These statements are to include no discussion or "sales pitch," and solutions to the problems are definitely not desired. According to Elliot, these problems, which generally revolve around a lack of equipment or personnel, or a given program's inability to accomplish mission objectives, normally become operating expense or single-year AC&I funding requests as the budget develops. [6]

3. Milestones that Warrant Budgetary Emphasis. In addition to recognizing the currently evolving funding problems in their work, each Program Manager must also consider certain expected key events or "Milestones that Warrant Budgetary Emphasis." These milestones, however, are not related to the present year's set of Determinations. Rather, they are generally the result of the solutions to the "problems" section of previous years' Determinations. For example, the Marine Environmental Protection Program in its 1976 Determinations listed the following expected key events of ongoing activities:

the installation of oily water separators on 105 Coast Guard vessels, the conversion of four steam propulsion vessels to use distillate fuel, and the installation of sewage systems on 62 cutters and 105 boats. [13]

4. Unresolved Matters Warranting Further Effort. Each program's Determinations must also clearly identify those "Unresolved Matters Warranting Further Effort." This section serves to highlight those problems whose solutions extend beyond the upcoming budget year, and indicate those areas where a "major analytical study" is needed.

5. 5% Reduction. The fifth and final section of each set of Determinations is important to the overall resource allocation process in that it forces each Program Manager to reevaluate the priorities of the various activities within his program. In this portion of the document, each Program Manager must list those actions he would be required to take in order to meet a 5% reduction in his program.

Although the Determinations are drafted by the individual Program Managers who draw on all the previous planning done at each level in the planning flow, "they reflect to a great extent the directions in which the Commandant wishes to guide the service." [6] As strategic guidance from the Commandant, the Determinations inform the various planning levels exactly which items he is willing to consider further in the formulation of the next budget request and those he wishes deferred or cancelled. Thus, the Determinations not only have a great effect on all program planning in the Coast Guard, but also set the tone for all ensuing programming and budgeting for resource allocation.

B. THE RESOURCE CHANGE PROPOSAL

Much of the remaining work to be done during the programming and budgeting phases of the Coast Guard's resource allocation process revolves around a single document, the "Resource Change Proposal" (RCP). As the primary vehicle for 1) assigning resources among the various programs, or 2) implementing any change in the scope or substance of Coast Guard missions, the RCP forms the cornerstone for the "building-block" process that results in the "Spring Preview" budget submission to DOT. Appendix C provides an example of a completed RCP.

As shown in Figure 3, within the flow of events of the overall resource allocation process, RCP formulation can be considered the natural follow-on to the Determinations subprocess. The Determinations represent "top-down" strategic guidance to the various Coast Guard planning levels. In the Determinations, the Commandant seeks to identify by program potential problem areas that may necessitate a reallocation of resources during the forthcoming budget cycle. In response to this guidance from the Commandant, the "bottom-up" planning process of RCP formulation is designed to provide specific solutions to each of these problems. As will be shown later, each RCP must then undergo a rigorous

screening and prioritization process before it can become a part of the Coast Guard's Spring Preview budget request to DOT.

RCP formulation, however, involves something more than simply providing a single definitive answer to a pressing problem. In preparing these complete documents "that are capable of standing alone" [19], the individual Program Managers must first clearly identify the exact parameters of the problem that initially provoked the proposal for a reallocation of resources. They must, in other words, give the "what and why" of the problem. [12]

Once the identity of the problem is clearly defined, the RCP formulation process requires that not just one, but several alternative solutions to the problem be proposed. For example, if the Search and Rescue Program Manager identified "excessive time required to locate vessels in distress" as a problem, he might include proposals for more aircraft or ships, better radars for the existing hardware, or mandatory alarm devices to be carried on vessels at sea as alternative ways to improve the situation. [12]

The recommended course of action is then arrived at only after a detailed benefit-cost analysis has been applied to each alternative. Benefits to be derived from the proposed change are quantified and projected over a five year time

span. Similarly, the analysis includes specific money and personnel costing data by appropriation category for the same period of time. Also of primary concern in this analysis is any spillover effects the proposed change might have. Therefore, in preparing their RCP's the individual Program Managers must explicitly recognize and provide statements concerning the impact the change will have on other program areas, the support programs, and the environment.

Because the RCP is "where the money is and where the battles are" [6], the quality and depth of the analysis performed is of extreme importance to the survival of the proposal through the adversary process that lies ahead. Additionally, the justification for change contained in each Resource Change Proposal should be presented in a clear and concise fashion that will enable "a reviewer ... to look at the annual costs (workload, dollars, and man years) and come away with a real feel for what each alternative entails" [19]

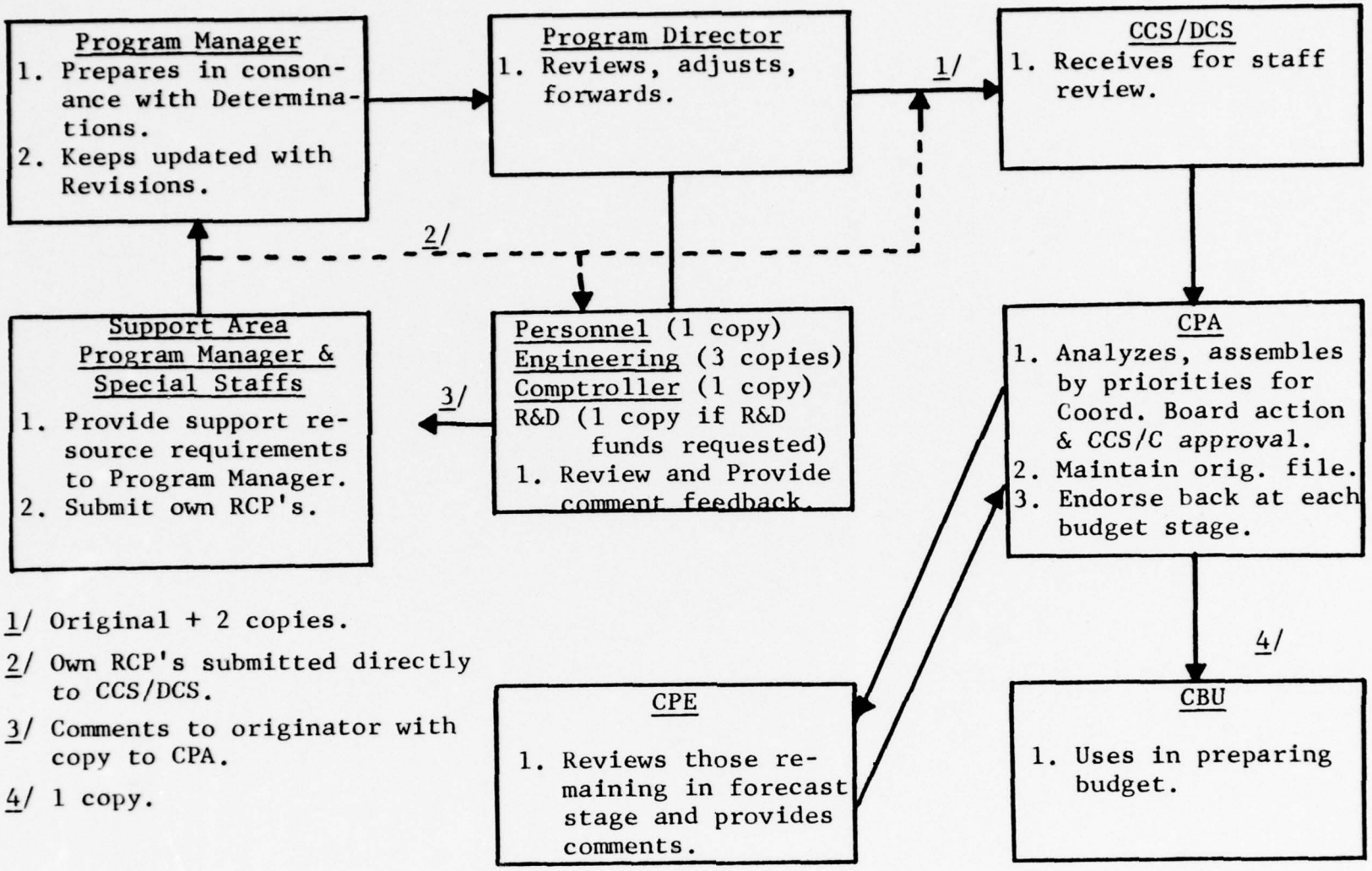
Because the RCP formulation process involves much more than "a superficial research and writing effort," the individual Program Managers must begin work on their proposals prior to the Commandant's final approval, in the early fall, of the Determinations. After the Commandant's action, each RCP is modified as necessary, and then submitted in February/

March via the appropriate Program Director to the Chief of Staff for staff review and prioritization. This review process, which is the subject of the next section, is depicted in Figure 7.

C. FORMULATION OF THE SPRING PREVIEW

The resource allocation subprocess of RCP formulation does not produce a finished product that is ready to leave the Coast Guard's inner circles for outside consideration. In fact, the process typically results in a situation wherein the requests for change far exceed the resources available to effect that change. The task of paring these numerous requests down to those high priority items that demand immediate funding belongs to the Programs Division (CPA), and is accomplished primarily through the use of a "scoring algorithm" process that eliminates the "weak sister" proposals from contention.

Not unlike the economist's concept of the utility function, the RCP scoring system is not a precise mathematical tool capable of determining the absolute worth of a particular proposal. Rather, the intended purpose of the "scoring algorithm," which is "just one of many considerations that will ultimately decide the priority of any given item...," is to place the individual proposals into an initial rank order of preference. [14]



1/ Original + 2 copies.

2/ Own RCP's submitted directly to CCS/DCS.

3/ Comments to originator with copy to CPA.

4/ 1 copy.

Figure 7. Resource Change Proposal Flow

The relative priority of each proposed change is determined through a numerical grading system based on fourteen weighted factors, the most important of which include: the size of the benefits returned to the public, any statutory or Presidential mandates for the action proposed, consistency with the Commandant's specific guidance, and consistency with existing program plans. [12] Appendix D contains a complete list of the factors used during the FY76 RCP grading process.

During this scoring process the assignment of grades more often than not calls for highly subjective judgments to be made by the person doing the grading. For this reason, each RCP is scored by several different individuals in an attempt to maintain the objectivity of the overall process. In the FY76 RCP submission, for instance, each proposal received its first set of grades from the Program Manager sponsoring it. To offset the natural tendency for these first grades to be somewhat inflated, each RCP was then graded several times within the Programs Division (CPA). This scoring consisted of grades being submitted by the CPA staff officer responsible for the affected program area, by each member of a three-man screening team, by the Chief of the Programs Division, and finally by the newest officer in the division. [6]

Once the grading process has been completed, CPA then sorts the RCP's into several categories, based upon the scores received and the priority lists of the various Program Directors. Certain RCP's, which were ranked high by both CPA and the Program Directors, immediately become top contenders for inclusion in the Spring Preview submission to DOT. For these RCP's the emphasis is now placed on strengthening their justification. Likewise, those RCP's receiving low ratings from both groups, receive no further consideration and drop out of contention at this point in time. The problem lies, however, with those RCP's falling into the middle categories. Generally the proposals in this "gray area" require more analysis and justification before they can be considered as Spring Preview contenders.

Although the surviving RCP's have been placed basically in order of their preference, the product of the scoring and sorting routines is still not ready to depart inner Coast Guard circles. To this point in the resource allocation process, little attention has been paid to the total dollar amounts involved in the RCP's under serious consideration. The situation still exists, in other words, wherein there just aren't enough dollars available to effect all the changes desired. The adversary process of honing the list

of requests down must continue until only the "fittest," best justified proposals remain.

Using the results of the scoring and sorting procedures as decision aids, the Chief of the Programs Division (CPA), assisted by his individual program reviewers, begins to firm up the various appropriation priority lists (i.e.: OE, RDT&E, RT and BA, etc.). As this iterative priority setting process continues in CPA, individual Resource Change Proposals become harder and harder to justify. Each succeeding proposal is therefore forced by this adversary process to satisfy more stringent requirements if it is to remain in competition for inclusion in the Spring Preview submission to DOT.

The development of the Spring Preview priority lists does not take place in a vacuum. During this priority setting process, CPA receives additional input from the several different planning levels within the Coast Guard. Planning at the field level is taken into account as each of the developing appropriation priority lists are compared to the AC&I Project Priority Lists submitted by each of the field commanders. Program and multi-program input also enters into the process with the submission of the personal priority lists of each Flag officer at Headquarters.

In addition to the inputs from internal planning levels, the Coast Guard's prioritization process also feels the influence of planning occurring at the national level. This influence is reflected in the general policy guidance provided by the Office of Management and Budget (OMB) regarding the President's policy aims and overall budget objectives. Based on the budget planning figures contained in this guidance, the Commandant must make a strategic decision as to what maximum program increases will be acceptable. The Commandant's decision is then translated into a total dollars ceiling, and "cutoff" lines are drawn on each of the "forecast-stage" appropriation priority lists.

The budget request is almost ready to venture forth from inner Coast Guard circles. However, before the priority lists are finalized and approved by the Commandant, the individual Program Managers are given the opportunity to submit a "but, sir." [12] As the "court of last appeal," the "Coordinating Board" provides the forum for the unsuccessful Program Manager's pleas. The "Coordinating Board," chaired by the Deputy Chief of Staff, is generally convened with the Deputy Office Chiefs, the Program and Support Managers, the Chief of the Office Planning Staffs, and the Chiefs of the Programs, Budget, and Plans Evaluation Divisions in attendance. Final arguments are heard by this group, and

in some instances, where strongly supported new "evidence" and reasoning is presented, adjustments to the priority lists are made. However, due to the extensive preparation and justification required by the RCP format, the actions of the "Coordinating Board" rarely result in any major changes to the priority lists.

The Commandant's review and approval of the priority lists which constitute the Spring Preview submission signals the end of the purely internal portion of the Coast Guard's resource allocation process. Once the Spring Preview is complete, the budget request is ready to leave the Coast Guard and pass through four phases in which it will be the subject of various studies, examinations, meetings, and adjustments. [2] As shown in Figure 3, these four phases are the:

1. Forecast or OST Stage (Spring Preview)
2. OMB Stage
3. Congressional Stage
4. Operating Stage

Commencing with the submission of the Spring Preview to the Department of Transportation (DOT), the results of the Coast Guard's resource allocation process will be shaped by the actions and interactions between the various levels of the Coast Guard, the Executive and Legislative Branches, and concerned groups.

With the completion of the priority lists which constitute the "Spring Preview," the emphasis of the overall resource allocation process also begins to slowly shift from programming to budgeting. This shift is marked by a change in primary staff responsibility for the resource allocation process at Coast Guard Headquarters. As the budget request passes through the next four phases, culminating in its enactment into law and execution, the Chief of the Budget Division (CBU) assumes responsibility for the budget from the Chief of the Programs Division in a manner analogous to two relay runners "passing a baton." [2]

Chapter 5, entitled "Budgeting for Resource Allocation," will attempt to trace the path a given budget follows on its way to enactment into law. Figure 3 also shows this budget path diagrammatically.

V. BUDGETING FOR RESOURCE ALLOCATION

A. THE OST STAGE BUDGET

Budgeting, the third and final phase of the Coast Guard's resource allocation process, consists of four distinct steps or stages of review and adjustment. (see page 57) The first of these steps is the Office of the Secretary of Transportation Stage (OST Stage). It commences annually when the Coast Guard sends its Spring Preview budget package to the Deputy Under Secretary of Transportation for Planning and Budget. This event generally occurs some fourteen months prior to the start of the new fiscal year.

Although the Spring Preview submission is the "first document of any type involving the budget to go outside the Coast Guard," it is not a formal itemized budget document. [6] Rather, as a natural extension of the internal RCP formulation process, the Spring Preview submission is designed to present to the Secretary of Transportation those issues felt by the Coast Guard to demand budgetary emphasis during the upcoming fiscal year. Thus, the OST Stage budget is structured to provide the Department with the following information:

1. A highlight statement of the thrust and direction of the administration's program for the upcoming year...

2. An identification and analysis of each major program change in existing programs or new program proposals that have major impact on the Department's program direction or requiring decision in the current budget cycle, and are of such significance that they should be considered by the Secretary...

3. Summary tables conforming to the appropriation structure (or by agreement of the Director, Office of Planning and Program Review and the operating administration, conforming to a unique program management structure) showing that administration's preliminary estimates of budget authority, obligations and positions... [20]

Also included in each year's budget submission to the Department are Coast Guard discussions and analysis of certain issues designated by the Secretary as "Major Program Issues" (MPI) for the upcoming budget year.

Departmental review of the Spring Preview involves a series of informal and formal meetings occurring at several levels between Coast Guard personnel and their counterparts in the Office of the Deputy Under Secretary. At the working staff level, the review process is characterized by extensive communications between the Coast Guard's Programs Division (CPA) and Budget Division (CBU), and the Department's Office of Planning and Program Review and Office of the Budget. Dwelling on the "nitty-gritty" of the proposed changes, these discussions lay the groundwork for the more

generalized budget hearings by acquainting Department personnel with the specifics of the Coast Guard's budget request.

Once the preliminary discussions have been completed at the working level, budget hearings, consisting of informal discussions between the Commandant and the Deputy Under Secretary for Planning and Budget are then held. The primary emphasis of these discussions is directed toward policy issues rather than absolute dollar levels. For example, in the case of the FY77 request, where the Coast Guard proposed starting construction on the new 270 foot medium endurance class cutters, Departmental review paid far greater attention to the justification for the new start than to the estimated $24 million per copy price tag attached to the proposed construction. [12]

Within the overall scheme of resource allocation in the Coast Guard, Departmental review and hearings are merely a continuation of the adversary process each request for change must face in order to be included in the final budget request. It is noteworthy, however, that these adversary proceedings during the budgeting phase of the Coast Guard's resource allocation process are marked by a reversal of roles by one of the primary participants. During the strictly internal planning and programming phases

of the overall process, individual Program Managers had to fully justify any proposed change to the Commandant. However, now the Commandant is charged with defending those very same proposals. The decision-makers now include the Deputy Under Secretary and each of the Assistant Secretaries, with the Secretary of Transportation acting as an arbiter of any major differences between the Coast Guard and his staff. [12]

Immediately following the hearings, additional discussions at the working staff level take place between the Coast Guard's Programs and Budget Divisions and their counterparts in the Office of the Secretary. This follow-up dialogue is designed to provide specific answers to any questions posed or problems encountered during the hearings.

Once these discussions are completed, sometime in September the Department returns the budget to the Coast Guard with dollar targets for each appropriation category. These dollar ceilings, which in the past have represented 10-15% cuts in the amount requested by the Coast Guard, are based on information provided by OMB to the Department as to what the total Federal budget limit will be. In addition to instructing the Coast Guard to cut its request to a certain dollar figure, the Department may also "redline" or eliminate a particular objectionable item from the budget

request. For example, "in the FY75 budget, the Coast Guard was considering asking for a domestic icebreaker similar to the Mackinaw. Because OST did not feel that the matter had been studied enough, the budget was returned with specific instructions stating that the Coast Guard could not ask for the icebreaker." [6]

The Coast Guard is allowed no more than forty-eight hours to appeal any target, DOT guidance on program emphasis or disallowed line items. Once the Department has acted on any appeals, the guidance and targets become binding on the Coast Guard, and form the basis upon which the more formal OMB Stage budget is prepared.

B. THE OMB STAGE BUDGET

With the commencement of the OMB Stage, the major emphasis of the Coast Guard's resource allocation process begins to shift significantly toward budgeting. Although the Programs Division (CPA) and the Coordinating Board must review priorities and cut back programs to reflect the budget year targets provided by DOT, the majority of the work involved in preparing the OMB Stage budget is now being done by the Budget Division (CBU).

Preparation of the OMB Stage budget is marked by a distinct change in the budget request's format. During the

OST Stage, material submitted to the Department was basically policy oriented and very general in nature, with the requests for change being expressed in terms of the individual programs. At the OMB Stage, the various requests for program change must be meshed to form a document in the traditional budget format. This transition to a detailed formal budget has been described as follows:

> The principal hallmarks of a budget as opposed to program proposals are documentation and preciseness of format. In a budget, each schedule must interlock mathematically with every other schedule, and differences between fiscal year columns on all schedules must match the program justification narrative as to timing, benefiting activity, and exact object, as well as rate of obligation and expenditure. [18]

Final funding of the budget request is not accomplished by lump-sum payments to each program area. Rather, the funds needed to conduct the individual programs are included in one or more of the seven Coast Guard appropriation categories.

These seven appropriation areas are:

1. Operating Expense (OE)
2. Acquisition, Construction, and Improvements (AC&I)
3. Alteration of Bridges (AB)
4. Retired Pay (RP)
5. Reserve Training (RT)
6. Research, Development Test and Evaluation (RDT&E)
7. State Boating Assistance (SB)

Thus, because funding occurs through the seven appropriations rather than lump-sum payments to the various programs, the Coast Guard's primary concern during the OMB Stage is redirected from program considerations to appropriation categories, budget activities, and individual line items.

The key documents during this stage of transition from program to budget format include the "digests" for each of the seven appropriation areas, and the separate "AC&I Justification Sheets" for each proposed capital investment line item. The digests aid the transition process by relating and cross referencing the proposed program funding changes to individual budget activities and line items. The narrative AC&I sheets are used to describe and justify the Coast Guard's budget increases on a line item basis. [18] Appendix E contains a sample AC&I justification sheet.

In addition to the formal budget documents mentioned above, the OMB submission prepared by CBU also contains in working paper format much of the material that will be submitted to Congress later as part of the "President's Budget." Detailed schedules of anticipated cash flows, expense items, manpower needs, etc. are provided to OMB at this point along with drafts of the proposed language to be contained in each appropriation bill. Other work papers submitted to OMB at this time also seek to answer any questions with regard to

the Coast Guard's participation in, or contribution to certain areas of national interest (i.e.: civil rights, ecology and pollution abatement, energy conservation, etc.). [6, 18]

Once this material has been submitted to OMB, it is reviewed and then discussed, first informally at the working staff level, and then somewhat more formally at hearings. Review of the Coast Guard's budget is conducted by an examiner from the OMB's Office of Economics and Government, only three levels removed from the Director of OMB. During the 8-10 weeks from September to mid-November, detailed informal discussions between OMB staff members and the Coast Guard's Programs and Budget Divisions are held to both more fully develop and familiarize OMB officials with the information contained in the individual requests. Following an initial period of review and staff discussions, sometime in October hearings are held to examine the specifics of the Coast Guard's request. Lasting two to three hours, these hearings generally go into far greater detail than the OST hearings, but not nearly the detail required by the Congressional Hearings to follow. Principal witnesses for the Coast Guard during the hearings include the Commandant and the Deputy Under Secretary of Transportation. [6, 12]

While OMB is reviewing and conducting hearings on the Coast Guard's budget estimate, a great deal of budgeting activity is also taking place internally at Coast Guard Headquarters. During this eight to ten week period, the various Headquarter's staff components are busy with preliminary preparations for the next stage in the budget cycle, the "Congressional Stage." Among the actions to be accomplished during this time frame are:

1. Priority lists are reviewed and revised as necessary.

2. RCP pricing data is reviewed and updated.

3. Legislative proposals are drawn up for the budget year-plus-one (BY+1) authorization package for AC&I and AB, for active duty military strength, extension of leased housing authority and for the Selected Reserve strength.

4. Work continues on firming up and smoothing out the budget schedules for all appropriations. [18]

Based upon the OMB Stage estimates from all Federal agencies and departments and discussions with the White House, sometime near Thanksgiving OMB will set a level for the total budget of the United States, with ceilings by appropriation established for each agency. These ceilings, called "Presidential Allowances" or "marks," generally reflect the President's overall political and economic strategy for the upcoming budget year. For example, President Ford's national economic policy for FY77 called for no

overall growth in Federal activities. Accordingly, the marks received from OMB held Coast Guard spending for FY77 virtually constant at the FY76 level, irrespective of any arguments or justification presented to increase the size of the Coast Guard's budget. [12]

The marks coming down to the Coast Guard via the Department of Transportation may arrive in several forms. They may be general orders to cut to a certain amount, as in the case of ceilings by appropriation for military personnel, total obligation and outlay authority, and civilian employment. Or, the marks received from OMB may include the specific redlining of certain items. Additionally, because policy issues are often involved in the Coast Guard's budget request, OMB's decision usually involves specific policy guidance in addition to the dollar limitations imposed.

> For example, in fiscal year 1975, when we proposed conversion of the nation's electronic navigation system to Loran C, the OMB decision on that request spoke specifically to the policy ramifications. In that instance, OMB agreed with our proposal and overruled the suggestion by other agencies that another system be adopted. [12]

When the OMB's decision is announced in late November, the Coast Guard is allowed the opportunity to appeal any ceilings, policy guidance, or disallowed line item. However, because the allowances represent White House action on the request, this appeal must be registered personally

by the Secretary of Transportation. The Secretary may either appeal the marks to the Director of OMB, or if he chooses, as Secretary Coleman did for the Coast Guard's FY77 request, directly to the President.

Once final action has been taken on any appeals and the OMB marks have been finalized, the Coast Guard must then revise the information submitted to OMB to reflect OMB's directions, and prepare it for submission to Congress as part of the "President's Budget." The preparation of the material for submission to Congress marks the beginning of the most politically complex stage of the budgetary process, the "Congressional Stage." [2]

C. THE CONGRESSIONAL STAGE BUDGET

As shown in Figure 3, the next step in the Coast Guard's resource allocation process is the Congressional Stage. This stage sees the introduction of input from a new participant (i.e.: Congress) into the overall process. Based upon the actions of the Coordinating Board to align the Coast Guard's request with OMB's decisions, the Congressional Stage begins with the Budget Division's (CBU) development of a budget document and supporting material for transmission to Congress. Once in Congress, the Coast Guard's budget request is then subjected to an adversary atmosphere of detailed questioning

and scrutiny by the authorization and appropriation committees before a final "money bill" can be enacted into law.

Congressional questioning, unlike the OST and OMB Stages where the primary concern was with broad policy issues, seeks justification on an item-by-item basis. Because Congress, in particular the members of the House Appropriations Committee, view themselves as the "guardians of the taxpayers money" [22], this questioning can, and often does, become quite rigorous and demanding at times. This rigor is reflected in the pronounced effect the external Congressional review process has on the internal Coast Guard management of resource allocation. Elliot and Garrett [6] describe this effect as follows:

> If any of the phases of the budgetary process can be said to exemplify "crisis mode" type management, it is this one, for it is during this stage that the Coast Guard [Headquarters] divisions often face time limits of 48 or 72 hours to complete some involved research or demanding task.

Congress has been described [6] as being "loath to spend one penny of the taxpayer's money unless they are sure it is being properly spent and the expense is well justified." For this reason, the material submitted by the Coast Guard as part of the President's Budget is rather detailed and extensive. This detail is evidenced in the following documentation that must accompany the Coast Guard's request for funding in the seven appropriation categories:

1. General Information Tables - A series of tables which summarize the overall request and provide servicewide personnel data, the geographic location of major Coast Guard activities, and any other information desired by Congress.

2. Language Page - An extract of the proposed language to be included in the appropriation bills. (This page should also indicate any changes in language from the previous year's appropriation act.)

3. Schedules - Various tables and summaries which: (a) indicate the appropriation needed to accomplish each of the Coast Guard's programs; (b) describe the workload or level of output necessary for program accomplishment; (c) give a breakdown of each appropriation by "object" or expense type (i.e.: military pay, travel, supplies, etc.); and (d) indicate by appropriation the total number of military and civilian positions involved, their average grade, and their average salary.

4. Justification Sheets - A detailed narrative justification of each capital investment item proposed in the budget.

5. Digest of Budget Estimates - A document similar to the one submitted to OMB which "crosswalks" the funding requested for programs, budget activities and line items. [18]

This material, which explains and justifies the Coast Guard's request in each of the seven appropriation areas, must be prepared during the period between early December and the first of February when the President makes his formal budget submission to Congress. As far as the Coast Guard is concerned, the preparation of this material is by no means a tranquil process. On the contrary, this period, with its numerous deadlines and time limitations, is perhaps the most hectic phase of the entire budgetary process!

Once these preparations are complete, the Coast Guard's budget request then enters the Congressional arena where it must compete with other agencies for the limited funds available. In this competitive or adversary process, all proposed expenditures must be appropriated by both houses of Congress before the monies can be spent. In addition to the appropriation requirement, certain portions of the Coast Guard's budget must also be authorized by a separate act. Funds for the purchase of new aircraft, vessels, real estate and the construction of new facilities must first be authorized before those funds may be appropriated. Congress also requires that both the Reserve and active duty military strength be authorized annually. In the House of Representatives, authorization hearings for all but the strength of the Selected Reserve are held by the Subcommittee on Coast Guard, Coast and Geodetic Survey and Navigation of the Merchant Marine and Fisheries Committee, and in the Senate they are held by the Merchant Marine Subcommittee of the Committee on Commerce. The Selected Reserve hearings are conducted by the Armed Services of each house. *[2]*

The relationship between the appropriation committees and the authorization committees of both houses is an interesting one. Fenno *[7]* points out that the appropriation

committees fully recognize that the legislative committees must act before money can be appropriated, but "in order to guard the Treasury," they feel that they must take a "fresh and independent look [at the request] - guided, but not fettered by the authorization figures..." Thus, the appropriation committees' expectations regarding the proper role of the authorizing committees may be summed up as follows:

> The Legislative Committee goes through the hearings, evaluates the evidence before it, and tries to determine the amount of money which is the ceiling that the committee could possibly justify as far as the activity is concerned. Then it is up to the Appropriations Committee to determine how much of the money can be spent in that particular year, and that is the amount which is made available... Each committee works for a different objective. The objective of the Appropriation Committee is and ought to be to establish the proper sum of money which can or should be spent by law in any given year. [4]

The members of the legislative committees, on the other hand, view their role in the authorization process somewhat differently. Although the legislative committees have tended to be somewhat paternalistic in their approach, and have, therefore, tended in the past to authorize more than was eventually appropriated, these committees feel that the authorization process constitutes a sanction on the Appropriation Committees. Moreover, because each authorization committee does not have to deal with all the agencies and departments, the members of these committees view themselves

as experts on their assigned agencies, and conceive their role as assisting the members of the Appropriations Committees in a very valuable manner. [7]

Before proceeding with a discussion of the appropriation process, it should be noted that this relationship between the legislative and appropriation committees may change somewhat with the full implementation of the provisions contained in the Congressional Budget and Impoundment Control Act of 1974. Designed in part to remedy the situation wherein the disjointed authorization and appropriation process "gave no overall control of government funding to any unit on Capitol Hill" [5], the act has injected into the budgetary process a new and potentially very powerful committee within each house of Congress. Known as the House and Senate Budget Committees, these two groups have been charged with the responsibility of recommending the total size of the Federal budget.

The vehicle used by Congress in this attempt to relate proposed Federal spending to estimated total receipts is the "concurrent resolution." During the entire Congressional Stage, two concurrent resolutions are eventually considered by Congress. The first, which must be adopted prior to May 15, establishes "budget targets" to guide the various appropriation and authorization committees as they process

fiscal legislation. [5] This resolution is based on information received from several sources. In arriving at the targets contained in the first concurrent resolution, the Budget Committees consider the following:

1. The newly created Congressional Budget Office's five year cost projection which analyzes the economic impact of various spending alternatives.

2. The Joint Economic Committee's analysis of the "Current Services Budget."[3]

3. The authorization estimates and views submitted by the various legislative committees.

4. Any information received during a hearings process (referred to as "seminars") which is conducted from late January until March. [5]

Then, sometime in September, Congressional approval of the second concurrent resolution causes these targets to be replaced with binding outlay ceilings and revenue floors. "Thereafter, neither house may consider any bill or amendment, or conference report, that results in an increase over outlay or budget authority figures, or a reduction in revenues, beyond the amounts in the second resolution" [5], without specifically approving a new resolution reflecting the change.

---

[3]The Current Services Budget is a document submitted to Congress by the President which contains a projection by the OMB of the growth in the Federal budget during the upcoming fiscal year based on the current fiscal year, assuming no changes in policy. [5] This projection is based on information provided to OMB by the various agencies, including the Coast Guard.

Once the authorization committees have met and the budget committees have set the target ceilings for each appropriation, the Coast Guard's budget request must then be considered by the Appropriations Committees of both houses. In this appropriation process, with the passage of the new Budget and Impoundment Control Act, each subcommittee of the two Appropriations Committees is expected to remain within the target ceilings established by Congress in the first concurrent resolution. Thus, it has been pointed out that in the appropriations process "the subcommittee is in a position much like the Office of Management and Budget -- that is, the ultimate determinant of our appropriation is established on a basis which reflects national economic policy." [12]

Within the two Appropriations Committees, the House is generally conceded to be the more demanding, with the real scrutiny of the Coast Guard's requests taking place in that House of Congress. Unlike their counterparts in the Senate who generally must serve on more than one committee, the regularly returning members of the House Appropriation Subcommittees have the time to develop a great deal of knowledge about the agencies appearing before them. Their questioning, therefore, tends to be quite detailed and extensive, generally lasting at least three days and covering every single item

requested. As a result, the House hearings often represent the most detailed external examination of the budget request experienced by the Coast Guard. [12]

The members of the Senate Appropriation Subcommittees, on the other hand, view their role in the budgetary process somewhat differently. The Senate review process is not nearly as rigorous as the House's because the Senators recognize the lower House's expertise in the matter, and the fact that the budget request has generally received a pretty thorough review there before being sent on. For these reasons, the Senate Appropriation Subcommittees have, in the past, chosen to act as an appeal forum, in much the same manner as the Commandant and the Secretary of Transportation acted in the earlier stages of the resource allocation process. Thus, as an appeal body, these subcommittees generally direct their attention to those items deleted by the House which the Coast Guard specifically appeals to them for restoration. Almost without exception, the Senate review process results in a higher level of funding being approved. [6, 12]

This is not to say that the role of "the restorer of funds" is restricted solely to the Senate. Occasionally, as was the case with the Coast Guard's FY78 request, the House may seek, for some reason or another, to increase a

particular agency's budget figure over that requested by the President. When this happens, the agency budget officials are supposed to remain loyal to OMB's budget, but, as Wildavsky points out, this does not always occur. Sometimes, a "formalized game" (such as described below) will go on at the hearing [6]:

> The agency official is asked whether or not he supports the amounts in the President's budget and he says "yes" in such a way that it sounds like yes but everyone present knows that it means "no." His manner may communicate a marked lack of enthusiasm or he may be just too enthusiastic to be true. A committee member will then inquire as to how much the agency originally requested from the Budget Bureau [now OMB]. There follows an apparent refusal to answer in the form of a protestation of loyalty to the Chief Executive. Under duress, however, and amidst reminders of Congressional prerogatives, the agency man cites the figures. Could he usefully spend the money, he is asked. Of course he could. The presumption that the agency would not have asked for more money if it did not need it is made explicit. Then comes another defense of the Administration's position by the agency, which however, puts of feeble opposition to Congressional demands for increases. [22]

The Appropriation Committee dialogue discussed above could not function without what is perhaps the most vital group of individuals in the committee structure - the members of the committee staffs. Each committee has a staff in addition to the staffs retained by the individual Congressmen. The staff men do the "leg-work" and the research for the committeemen, and often prepare many of the questions to be used during the hearings. Also, as the "advance-men" for

the Congressmen, the staff members constitute a vital link between their committees and the Coast Guard. It is at their level that contact with Coast Guard personnel is maintained, and a majority of the work accomplished. [2]

This working staff level relationship is important to both the Congress and to the Coast Guard in that it prepares both groups for the upcoming hearings. For example, as Elliot [6] points out, when the Coast Guard was working on the introduction of Loran C, the interests of Congress were were served through a briefing held for the members of committee staffs and the staffs of individual Congressmen. Based on this two and one half hour briefing on highly technical engineering problems, financial matters and policy, the staff was then able to report their impressions and bring their Congressmen "up to speed" on this particular Coast Guard program. The Coast Guard, on the other hand, also benefits from the discussions between the committee staffs and the Programs and Budget Divisions. These discussions serve to notify the Coast Guard what types of things the committee is interested in, what type of questions the chairman of the committee is likely to ask, and sometimes even provides the Coast Guard with the exact questions that will be asked. Based on the information received from the staffers, the Programs and Budget Divisions are then able

to prepare the Commandant, the Coast Guard's chief witness, for the questioning ahead.

The day of the hearings, the Commandant goes to the "Hill" accompanied by other witnesses who are primarily the Office Chiefs, and the Chiefs of the Programs and Budget Divisions. [2] Although these hearings represent part of the overall adversary process, wherein the Coast Guard is not on its own to justify and support its budget request to the committee, the hearings are generally quite cordial and informal in nature. This relaxed atmosphere is due in part to the fact that over the years the Coast Guard has built a reputation of asking for only what it needs to do its job, and of speaking the truth at the hearings. [6]

Whereas, earlier in the resource allocation process the Commandant was the decision maker, now, as the Coast Guard's chief witness, he must support and defend the budget request, and answer any questions posed by either the chairman or the other members of the committee. The Programs and Budget Divisions assist the Commandant in this task by providing him with the relevant documents or information needed to properly respond to the topic in question. Although recent years have seen the Commandant providing immediate and direct answers to a great majority of the questions posed to the Coast Guard at these hearings, he may, at times, choose to

refer a particular question to one of the Office Chiefs who is more qualified in the subject area in question. Other times, when the answer is either technical in nature or lengthy and requiring additional research, the Coast Guard and the committee may agree upon a "for the record" submission format, where the answer is provided in writing at a later date.

After the hearings, any "for the record" submissions must be prepared. The Budget Division coordinates the activities and insures that all material is prepared on time. Generally speaking, the material submitted "for the record" will be quite extensive for the House Appropriations Committee. This committee feels that they must supply an extensive record to their fellow Congressmen. They try to anticipate all of the questions that might arise on the floor of the House and answer them in the record. For example, in the FY74 budget hearings, the "for the record" submissions numbered forty. These were not simple questions requiring "yes or no" answers. Rather, they were questions requiring quite involved and detailed types of answers. [2]

It should be noted at this point that the Coast Guard is not the only group providing input to the Congressional hearing process. The avenue for public participation is

completely open. For example, as Admiral Scarborough [12] points out:

> The Loran C was fully examined by the various committees. Many opinions from interested public groups, both for and against our proposed funding of the system, were heard. In that situation, the committees ultimately agreed with our position and funds were subsequently appropriated. The important lesson, however, is not our success, but rather that individual constituencies or interest groups can and do participate in the process.

Once the Appropriation Committees' actions are complete, the Coast Guard's budget request is then submitted to the floor of each house in the form of an appropriation bill. Fenno [7] points out, however, that this bill "is but a recommendation submitted to members of the parent chamber for their approval," and that the members of the Appropriations Committees "must turn to the task of winning support for these decisions among their ... colleagues." Operating in the atmosphere of increased partisan politics, the committee members generally view their role as defending "their" agencies against further cuts or amendments from the floor. According to Wildavsky [22], this concept of responsibility has its roots in the norm of specialization in Congress, and "the ensuing belief that members who have not studied the subject should not exercise a deciding voice without the presence of overriding considerations." Thus, the attitude of respect for the committee members'

expertise, coupled with the relative bipartisan autonomy of the committee itself, generally prevails, with the parent chamber accepting the dollar and cents recommendations of the committee. [7]

Once passed, the various appropriation acts must not only conform with the outlay ceilings contained in the "second concurrent resolution," but the House and Senate versions of the same bill must also be identical in language and content. Whenever they differ, the representatives of the two chambers must meet in a "conference committee" to write one bill acceptable to both chambers. Fenno [7] writes that since ratification by both chambers of the Congress is rarely denied, the conference committee process effectively signals the end of the annual appropriations process in Congress.

After the Coast Guard's budget request has passed both houses, with any differences being ironed out in conference committee, it then goes to the President for his signature. Once the President has signed the appropriations bill, it becomes law and gives the Coast Guard full obligational authority subject only to the Presidentially mandated restrictions imposed by the Office of Management and Budget. With the President's signature the Coast Guard is now ready to move to the final stage of the budgetary process - the

"Execution Stage." This is the stage that is the indicator of how well the previous stages work. All of the work that has gone into the budgeting process thus far has been for one purpose: to get funds into the hands of those Coast Guard officers responsible for carrying out the service's programs. [2]

D. THE BUDGET EXECUTION STAGE

The final step in the overall process of resource allocation in the Coast Guard, is the execution of the funds appropriated by Congress, as shown in Figure 3. This phase, which is sometimes referred to as the "Operating Stage" (OPSTAGE), commences with the President's signature of the budget document. Although this action legally gives the Coast Guard the authority to obligate funds after the October 1st beginning of the new fiscal year, several events must first occur before any monies may be spent.

Among the first actions to be taken upon passage of the appropriations bill is the Coast Guard's adjustment and reordering of priorities contained in the Congressional Stage Budget. Once again, similar to the other times in the process when adjustments of priorities were required, this action is accomplished by the Coordinating Board. In arriving at an operating budget (known as "OPSTAGE Budget"), the

Board must not only incorporate those changes desired by Congress, but must also consider any changes dictated by new internal Coast Guard priorities. At this point, allowances are also made for any individual project cost increases that have occurred since the budget request's initial submission six to nine months previously. [12]

Once all changes have been incorporated in the Congressional Stage Budget, the Coast Guard is still not ready to spend the funds appropriated by Congress. Prior to incurring any obligations, the Coast Guard must also initiate action to secure the release of the authorization from OMB. This is accomplished through the submission to OMB of a document known as an apportionment schedule. Designed to regulate an agency's rate of obligation, and thus reduce the possibility of over-obligation, the apportionment schedule is basically a financial plan which outlines by quarter the agency's needs for funds during the forthcoming fiscal year. In some instances, however, apportionments may also be made on the basis of specified projects or activities in lieu of the usual time-period basis. [3]

Prior to the submission of the Coast Guard's apportionment schedule to OMB, Headquarters must receive apportionment requests from the field units. In order to give these units some idea of the total dollar figure upon which to base

their estimates, Headquarters issues "Planning Factors" for the upcoming fiscal year. Generally issued in February of each year, the Planning Factors typically include:

1. A listing of the Operating Expense changes and the AC&I projects included in the Congressional Stage Budget.

2. A similar listing of the Operating Expense items expected to be included in the budget for the year following.

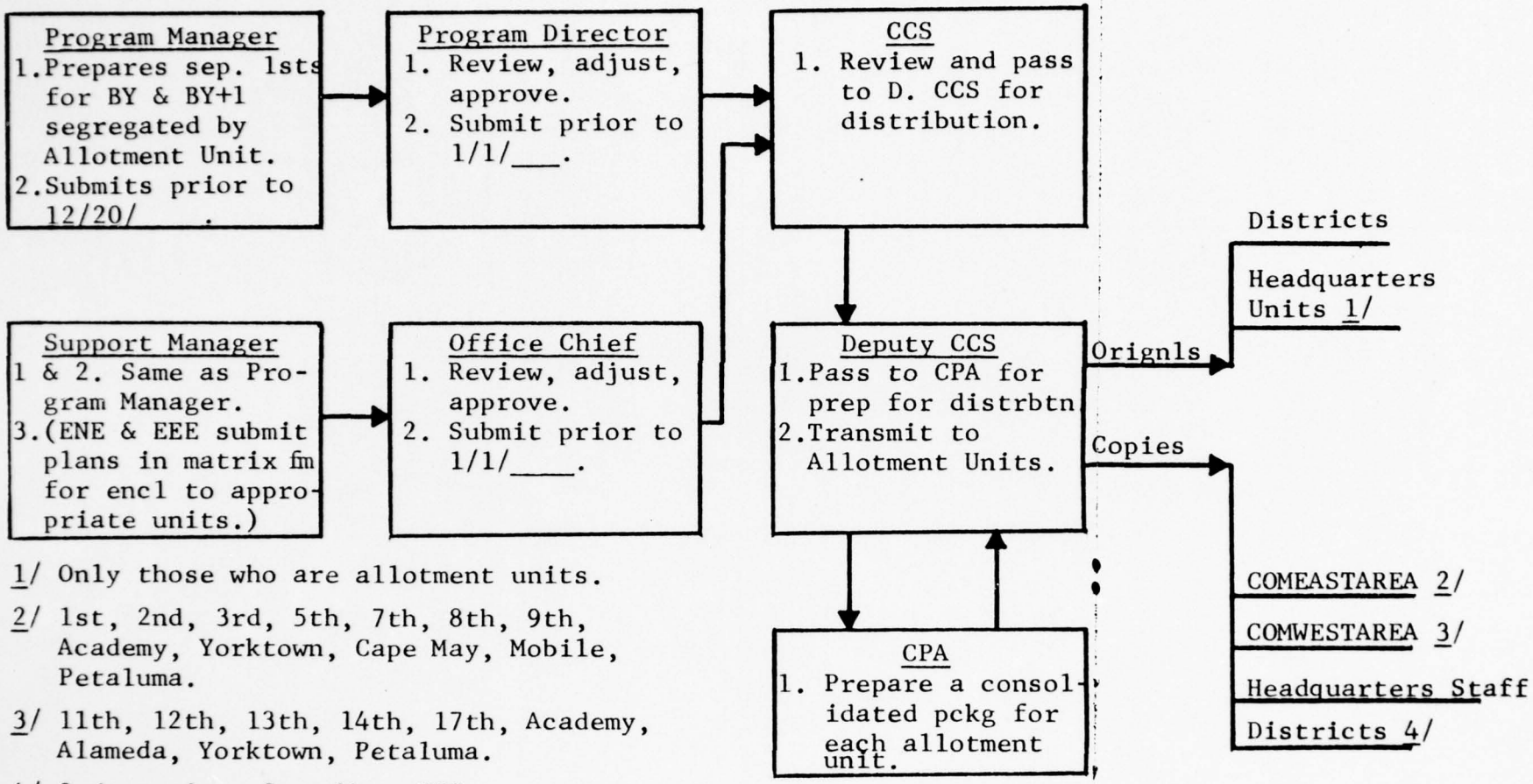
3. A vessel maintenance plan listing major jobs to be funded by Headquarters.

4. An electronic installation plan.

5. Reserve training levels. [19]

Figure 8 shows diagramatically the process by which planning factors are developed and distributed to the field.

Once funds have been apportioned to the Coast Guard by OMB, obligational authority is then extended to the individual Program Managers, Support Managers, District Commanders, and Headquarters units in the form of allotments. Although the process of alloting funds to the field units is strictly internal to the Coast Guard, care must be taken that the allotments remain in harmony with amounts apportioned by OMB. Within the Coast Guard, a system of periodic reports and budget review at both the Headquarters and field levels exists to prevent over-obligations and maintain the necessary internal control over the budget execution process.



1/ Only those who are allotment units.

2/ 1st, 2nd, 3rd, 5th, 7th, 8th, 9th, Academy, Yorktown, Cape May, Mobile, Petaluma.

3/ 11th, 12th, 13th, 14th, 17th, Academy, Alameda, Yorktown, Petaluma.

4/ 3rd receives Cape May, EEC
5th receives Yorktown, Yard, ARSC
12th receives Alameda, Petaluma
8th receives Mobile.

Figure 8. Planning Factors Development & Distribution

Ideally, the Coast Guard's system of resource allocation is designed to get the available resources to where the need is. However, even the best systems of planning, programming and budgeting for resource allocation cannot always be counted upon to perfectly predict the future. Unforeseen events are bound to occur, and can often have profound effects on the needs and priorities of the various Coast Guard programs. When this occurs, the Coast Guard has available two separate methods of seeking relief for the affected programs: 1) additional funds may be requested in the form of a supplemental appropriation; or 2) funds may be shifted from one program to another through the process of reprogramming.

A supplemental appropriation is, technically, a change to the budget after it has received final Congressional action. [18] Each agency must submit its requests for changes in funding to OMB, where the requests are first reviewed and then accumulated until a sufficient quantity is on hand to submit to Congress in the form of an "Executive Communication." In addition to the Congressionally imposed requirement that all appropriations, including supplementals, not exceed the outlay ceilings contained in the second concurrent resolution, all requests for supplemental appropriations must also satisfy certain criteria

established by OMB. The Coast Guard's Manual for Budgetary Administration describes OMB's policy as follows:

> ... it would be only a slight exaggeration to say that OMB policy on budget modifications is that there won't be any! Each proposed program modification must pass three tests:
>
> 1. be unforeseeable at time of budget submission (or result from a subsequent Act of Congress)
>
> 2. be of sufficient impact that it can't be absorbed, and
>
> 3. be of sufficient national urgency that it can't be postponed until the next budget year. [18]

Reprogramming, on the other hand, is the method by which the Coast Guard may internally shift funds from one program to another. Authority for this action is derived, in part, from 14 USC 656 A, which allows the Commandant to reprogram funds to repair or replace operating facilities damaged by storms, fire, or other similar disaster. Another portion of the law, 14 USC 656 B, also permits the Commandant to initiate AC&I projects costing less than $200,000 without prior authorization from Congress. It is customary, however, for the Commandant to keep the committees of Congress informed when such reprogramming occurs. The Secretary will inform the Chairman of the Appropriations Committee, and the Commandant will advise the other committee chairmen after a reprogramming action has taken place. In those situations

where there is a need to reprogram AC&I funds in excess of the amounts authorized by 14 USC 656, the Commandant must first seek the concurrence of the chairmen of the authorization and appropriation committees of both houses. In either case, the reprogramming of AC&I funds is clearly more difficult than shifting funds within the Operating Expense appropriation. This is so because the authorization process places strict controls on the funds within the AC&I category by earmarking them for specific projects only. [6]

The primary goal of this study has been to describe in detail the decision process by which the Coast Guard chooses to allocate its resources among various competing needs. This has been done in the preceding five chapters. Chapter 6 now contains several concluding remarks which attempt to summarize and highlight those important concepts which are key to a clear understanding of the Coast Guard resource allocation process.

Much more could be written about the Budget Execution Stage. Topics to be explored further could range from the actual procedures followed to account for and deliver the men, money and materials "out to the Fleet," to the problems encountered at the District and small operating unit level in the management of these resources. It is suggested that this stage be the subject of a follow-on thesis by another interested Coast Guard officer.

VI. CONCLUDING REMARKS

The ultimate goal of the resource allocation process described above is the preparation of a single year's budget for the Coast Guard. The series of subprocesses through which this budget is assembled is inherently a "building block," or micro process, resulting from "bottom up" planning coupled with strategic guidance received from above. This "bottom up" process has the advantages of combining strategic direction with the involvement and interaction of the four planning levels, thus leading to rigorous competition between the various programs. [2] It is through this competition and the adversary nature of the process itself that the Coast Guard can attempt to ensure that only the fittest, best justified programs survive.

Commencing with plans that stretch well into the future, and culminating in a single year's operating budget, the resource allocation process involves many participants, both internal and external to the Coast Guard. Internal participation includes the field, Headquarters, and the Commandant, throughout the process. External input is received from the Department of Transportation, from the President via the Office of Management and Budget, and from Congress. This

input can range from individual Department policy decisions to major constraints imposed by national economic policy and political considerations. However, it is important to remember that although certain participants may dominate major portions of the process, no one individual or group of individuals is permitted to dominate the entire process. Thus, resource allocation in the Coast Guard is essentially "a microcosm of the democratic process, with many voices being expressed in the final product." [12]

In summary, the process by which the Coast Guard decides "who gets what, when and how" is a highly complex and dynamic process that is constantly changing, evolving and responding to the environment within which it functions. As such, resource allocation cannot be considered a trivial manipulation of techniques. Rather, it must be regarded as an art form, not an exact science, where detailed and quantified planning, programming and budgeting for resource allocation must be coupled with the exercise of good managerial judgment.

This, then, is the approach used by the Coast Guard to answer the "omnipresent problem that dominates all approaches to government operations in the 1970's ... viz, 'How do I get the resources I need to do what must be done?'" [19]

APPENDIX A

GLOSSARY OF TERMS

AC&I Project Proposal Report - A submission on specified forms by a District or Headquarters Unit describing a capital investment in facilities. The AC&I Project Proposal Report is used for approval of details of a project and for engineering sufficiency.

Allocation - An amount set aside by an agency (i.e.: DOT) in a separate appropriation or fund account for the use of another agency (i.e.: Coast Guard) in carrying out the purpose of an appropriation; the first subdivision of an apportionment.

Allotment - The second subdivision of an apportionment which provides the funding authority for an official to accomplish a specific function or mission.

Apportionment - A distribution made by OMB of amounts available for obligation or expenditure in an appropriation or fund account into amounts available for specified time periods, activities, functions, projects or combinations thereof. The amount so apportioned limits the obligations to be incurred or when so specified, expenditures to be accrued.

Appropriation or Fund Account - A statutory authorization to incur obligations and to make payments out of the Treasury for specified purposes. Types of appropriations or fund accounts include:

1. A one-year account is one which is available for incurring obligations only during a specified fiscal year.
2. A multiple-year account is one which is available for incurring obligations for a definite period in excess of one year.
3. A no-year account is one which is available for incurring obligations for an indefinite period of time.

Benefits - Measures of attainment expressed in terms of the broad objectives.

Budgeting - The planned, disciplined approach to the problem of fund management that seeks to translate planned operations and objectives into their related financial requirements for the purpose of both estimating and executing those plans.

Budget Year (BY) - The year that will provide input into the Budget of the United States.

Coast Guard Objectives - Broad statements of purpose which define the aims of the Coast Guard as stated in the Long Range View.

Congressional Stage - The time period or work process after the receipt of the Presidential Allowances from OMB, involving the preparation and presentation to Congress of the final budget request.

Coordinating Board - A group of top level Coast Guard officers, chaired by the Deputy Chief of Staff and consisting of the Deputy Office Chiefs, Program Managers, and Support Managers whose major responsibility is to review the program priorities of budget requests.

Determinations - A statement of assumptions, points of emphasis and unresolved areas made by the Program Manager for approval/resolution by the Commandant as a planning guide for the program.

Development Plan (DP) - A submission to Headquarters by a district or headquarters unit involving a major facility investment that will require costly multi-year funding, with completion through a series of phases over a period of years.

DOT - Department of Transportation.

Financial Plan - A document that indicates the allocation of funds for the operating year to operating guides or projects by quarters.

Fiscal Year (FY) - The accounting year established in the Federal Government that (subsequent to 1 October 1976) commences the first of October and runs to the thirtieth of September of the following calendar year.

Forecast Stage - The time period or work process from roughly BY-18 months, when work begins on the Spring Preview presentation to DOT, until approximately BY-10 months when DOT program targets or ceilings are received.

Language Page - A statement contained in the budget estimates submitted to OMB and to Congress which gives the agency's proposal of language to be used in the appropriation act; usually based on the appropriation language for the current year, with proposals for deletion and addition of language or amounts.

Long Range View - A periodic statement made by the Commandant of the Coast Guard which outlines the service's objectives and policies, and which provides a ten-year projection of the characteristics of the future marine environment.

Major Program Issues (MPI) - Particular issues on which the Office of Management and Budget requests specific attention in the Coast Guard's submission.

Obligation - The amount of an order placed, contract awarded, service received or other transaction which legally reserves a specified amount of an appropriation for expenditure.

OMB - Office of Management and Budget.

OMB Stage - The time period or work process which is marked by the transformation of resource change proposals into a more formal budget, consistent with the ceilings imposed by DOT, for submission to OMB; this stage ends upon receipt of the Presidential Allowances from OMB at approximately BY-11 months.

Operating Guide - An administrative subdivision of funds under annual appropriation accounts; formerly called subhead.

Operating Stage - The whole budget execution phase; from the time of Congressional action on the budget request to the end of the budget year to which the request pertains.

OST - Office of the Secretary of Transportation.

Performance Budget - A budget which develops data on program costs and accomplishments as opposed to data on things or facilities.

Planning Factors - Information distributed by Headquarters to the districts and headquarters units (allotment units only) on which their field budget requests are based.

AD-A038 898 NAVAL POSTGRADUATE SCHOOL MONTEREY CALIF F/G 5/1
PLANNING, PROGRAMMING AND BUDGETING FOR RESOURCE ALLOCATION IN --ETC(U)
DEC 76 R J LOSEA

UNCLASSIFIED NL

2 OF 2
AD A038898

END

DATE FILMED
5-77

Planning Proposal - A submission from a district or headquarters unit recommending change to existing plans or facilities.

Plan Summary - A summary of the plans of an individual program for the near-term (1-5 years), mid-term (6-10 years), and long-term (10 years and beyond) time frames.

Program (noun) - A major Coast Guard endeavor, mission-oriented, which fulfills statutory or executive requirements, and which is defined in terms of the principle actions required to achieve a significant end objective.

Program (verb) - The process of deciding on specific courses of action to be followed in carrying out planning decisions on objectives; also involved are decisions in terms of total costs to be incurred over a period of years as to personnel, material, and financial resources to be applied in carrying out programs.

Program Cost Categories:

Research & Development Costs (RDT&E) - Those program costs incurred under the RDT&E appropriation where the intended end item will lead to acquisition of new equipment for operational use, or will result in innovative changes in the conduct of a mission.

Investment Costs (AC&I) - The program costs to procure or construct initial, additional or replacement equipment or facilities, or to provide for major modifications to existing facilities. These are represented by the Coast Guard's Acquisition, Construction and Improvement projects.

Operating Costs (OE) - Those program costs required to operate and maintain a capability.

Alteration of Bridges Costs (AB) - Those program costs for the Coast Guard's share of altering or removing bridges obstructive to navigation. Administration costs associated with this program are funded from operating expenses.

Reserve Training Costs (RT) - Those program costs for the Coast Guard Reserve including repayment to other Coast Guard appropriations for indirect expenses and personnel and material resources.

Retired Pay Costs (RP) - Those program costs for retired pay of military personnel of the Coast Guard and Coast Guard Reserve, members of the former Lighthouse and Lifesaving services, and for payments to survivors pursuant to the Retired Serviceman's Protection Plan.

State Boating Safety Assistance Costs (SB) - Those costs for State boating programs are provided for in the Federal Boat Safety Act of 1971 (P.L. 92-75).

Program Director - The flag officer at Headquarters immediately responsible to the Commandant for the overall management of a program area.

Program Manager - The staff officer at Headquarters designated by and responsible to the Program Director for the detailed management of a Coast Guard Program.

Program/Support Objectives - A broad statement of purpose which defines the aims of the program in support of the overall Coast Guard objectives.

Reapportionment - The actions taken to obtain revisions in apportionments as required by changes in program plans, or changes in fund availability.

Resource Change Proposal (RCP) - A document prepared by a Program Manager and submitted via his Program Director to the Chief of Staff, requesting a change in program resources. The change may reflect an increase or decrease in a program or a shift of resources from one program to another, and must indicate the long-range implications of such a change.

Special Analytic Studies (SAS) - The detailed studies that provide the input and analytic basis for the program decisions.

Support Director - Those officers at Headquarters who are responsible to the Program Directors for the actual administration of funds, providing dollar estimates, for design characteristics, maintenance of facilities, training, assignment and payment of personnel, and other logistic functions. In contrast to the Program Director, who is "program responsive," the Support Director is "function or hardware responsive."

Support Manager - The staff officer at Headquarters designated by and responsible to the Support Director for the detailed management of the Support Program.

APPENDIX B-1

CRITERIA FOR INCLUSION OF PROJECTS UNDER AC&I
(Projects not meeting these criteria are OE)

	Aids to Navigation	Shore Facilities	Vessels	Aircraft
Acquisition Construction	Acquisition or establishment of new facility or structure over $1,000. (1)	Any family housing or land. Acquisition of new facility or structure over $50,000.	Any acquisition over 64' in length.	Any acquisition.
Rebuilding replacement alteration restoration	Complete or partial renewal of structure if: (a) cost exceeds $50,000 and (b) it is over 75% renewed	Complete or partial renewal of structure if: (a) cost exceeds $50,000 and (b) it is over 75% renewed	Complete or partial renewal of hull or machinery (3) if: (a) over $50,000 and (b) over 75% renewed	Complete or partial renewal of aircraft if: (a) over $50,000 and (b) over 75% renewed
Improvement (2) modification addition expansion	Betterment costing over $50,000 per single facility or structure.	Betterment costing over $50,000 per single facility or structure.	Betterment costing over $50,000 per vessel.	Betterment costing over $50,000 per aircraft.

(1) Projects between $1,000 and $50,000 treated collectively under Waterways A/N Projects.
(2) Conversions, as a program, are OE unless each conversion of a single facility is over $50,000 (except LAMP).
(3) Machinery means entire plant and not individual equipments.

APPENDIX B-2

SAMPLE PLANNING PROPOSAL LETTER

DEPARTMENT OF TRANSPORTATION
UNITED STATES COAST GUARD

MAILING ADDRESS:
COMMANDER (dpl)
ELEVENTH COAST GUARD DISTRICT
HEARTWELL BLDG
19 PINE AVE
LONG BEACH CALIF 90802

19 SEP 1975
5420

From: Commander, Eleventh Coast Guard District
To : Commandant(G-CPE)

Subj: Planning Proposal 11-01-76; Reconfiguration of Eleventh Coast Guard District Search and Rescue System (Surface)-(RCS CPE-1100)

1. This district has conducted a study to evaluate the location and use of its surface SAR resources, both present and projected. The study showed particular interest in the latter because of the introduction of several 41' UTBs to the district as replacements for the 40' UTBs. The Search and Rescue Simulator Model (SARSIM) at Coast Guard Headquarters was utilized to obtain an analysis of the best resource configuration-plus a projected work load to 1980. The SARSIM report is available upon request. First hand information on local conditions and problems was obtained through a questionnaire on a variety of subjects completed by WPB Commanding Officers.

2. The Study provided the following conclusions about this district's SAR system, the units of which are positioned geographically on attachment (1), a chart of the district coastline:

a. The present SAR system was designed to perform effectively for peak weekend activity in the heavy case load of summer months and uses WPBs as the primary resource. It is apparent, however, the majority of the case load is well within the capability of smaller boats. This fact was clearly illustrated in the study analysis which developed the following profiles on each 82' WPB and the Channel Islands 40' and 41' UTBs:

(1) PT JUDITH (SANTA BARBARA)

This WPB is doing work which should typify a WPB in this District. She has about the same number of cases as the average and is underway 40% more time than the average. She averages about four hours per case with 25% of her cases being over 25 miles out. Her weekend load is only slightly over her week day load. Annual work load summary is 215 cases, 857 hours, 3.89 hours per case, 17.9 cases per month, 69.8 hours per month.

BEST AVAILABLE COPY

(2) Channel Islands

The record of activity at Channel Island is not consistent. An educated guess, however, is that the station is handling 90% more cases than the average WPB in the District. Their average time per case is 2.5 hours which is about the District average and certainly less than the PT JUDITH. Virtually none of the station's cases are over 25 miles away but over 50% are over ten miles. They occasionally go into heavy sea states but most of their operation is in sea states less than four feet. The fact that 50% of their cases are over ten miles is typical of the operation of most of the WPBs in the District and is much higher than the LA/LB boats. They most often work around the Channel Islands so the fact that they are out over ten miles does not mean they are always that far from land. Their weekend case load is high. In summary, Channel Island is working hard as a SARFAC and probably should have some relief on their longer cases from WPBs.

(3) PT BRIDGE (MARINA DEL REY)

One of the three least utilized WPBs in the district. Her average case load is 50% less than the district average. Her hours underway are 30% less than the district average and 46% less than PT JUDITH. Her average time on a case is about three hours with 25% of her cases being over 25 miles out. This would indicate that the cases she goes on are significant cases---she just doesn't go enough. Her weekend load is high.

(4) PT CAMDEN and PT EVANS (Los Angeles/Long Beach)

These boats each represent about the average work load in the District. This is about the same case load as the PT JUDITH, however, and about 20% less time underway. Their average hours per case is about 2.2 with 75% of their cases being under ten miles. This would indicate they are working the mainland side of the Catalina Channel. 98% of their cases are in seas less than five feet high. Although their work load is reasonable, it would appear that something less than an 82' WPB could do the job. Their weekend case load is normally high.

BEST AVAILABLE COPY

(5) PT DIVIDE (NEWPORT BEACH)

This WPB's utilization is on the same order as the PT BRIDGE except that her average hour per case is less and the sea states reported are much less. Her weekend case load is quite high. In summary some of her cases are significant but seldom difficult and in general she is under utilized particularly during the week.

(6) PT HOBART (OCEANSIDE)

This is the least used boat in the district having 40% fewer cases than the average boat. Her time underway on SAR cases is 55% less than the district average. Her average time per case is 1.5 hours which is markedly low. 99% of her cases are in seas of less than three feet. 80% of her cases are closer than ten miles. It is obvious that a smaller vessel could easily carry out almost all of PT HOBART's cases.

(7) PT BROWER and PT STUART (SAN DIEGO)

a. These two WPBs have almost identical use profiles as would be expected. They have slightly fewer cases than the LA/LB boats but their total time underway for SAR is longer making them near average boats within the District for utilization. Each of them have about 10% less cases than the PT JUDITH and about 10% less underway time for SAR.. Their average time on a case is 3.25 hours. 20% of their cases are over 25 miles away, with perhaps 5% of their cases in seas greater than four feet. Their weekend case load is not significantly different than their week day load. In summary, the San Diego WPBs are carrying a reasonable work load with perhaps too much work for one boat but not enough for two. The impact of spreading their load to the PT HOBART stands out as an area for investigation.

b. When tested against the SARSIM MODEL during peak work load periods the present WPB configuration results in situations where no resource is available and in some cases where the resource fails to arrive in time to satisfactorily complete the case. As stated in the SARSIM analysis, "the resource configuration works hard but still can't satisfy all the demands made upon it." In this regard, the SARSIM analysis indicated 16% underway time (higher than most districts), yet the time to get to a case was inordinately high and resulted in a greater number of failures than any of the acceptable options tested against the SARSIM, i.e., the resource was too late arriving on scene or could not conclude the case properly.

BEST AVAILABLE COPY

c. The use of WPBs varies considerably by location, however, most of the SAR cases are within the range and capability of 41' UTBs.

d. A UTL class boat could meet most COTP routing requirements, whereas the 40' and 41' UTB is too much resource to be solely dedicated to mep/ps work in the Eleventh District, particularly if support is provided on a need basis for ocean dumping, off-shore transfer monitoring, Catalina escort, etc.

e. Based on recommendations from the WPB Commanding Officers, minor changes to the personnel allowance is indicated in order to gain an adequate pyramidal structure and with enough redundancy to allow proper leave and liberty periods without outside support.

f. Maintenance Support Team (MST)

(1) The MST concept is working well. This is attested to by the comments received from the WPB Commanding Officers - the users of this service, and local general knowledge based on results and less "down time." It established a pyramidal structure of maintenance personnel serving as inspectors, teachers and doers. It facilitates uniformity of maintenance, an ongoing training program for all engineers in the WPB/UTB fleet, and can ease boats through transition periods while inexperienced personnel are being indoctrinated.

(2) The present allowance for the MST is 0-1-6. This is marginal, however, and the Base has consistently augmented them to double their strength with assigned and transient personnel. The addition of another class boat will complicate the support requirements. A larger, stable MST force is, therefore, essential.

2. The current mission work load of present SAR resources was discussed in the preceding paragraphs. According to data in the Cutter Plan a 5% increase annually in SAR activities is projected for the Eleventh District. This planning proposal provides positive adjustments to our SAR system which will deal efficiently with both the present and projected SAR work load. These changes are discussed below:

a. Intermixing of WPBs and smaller bottoms in our SAR configuration will provide a practical choice of resources for

BEST AVAILABLE COPY

both long range cases and for nearer high density areas where the bulk of the case load occurs. Attachment (2) illustrates geographically the proposed SAR resource configuration. The following discusses each location and the proposed changes:

(1) The WPB at Santa Barbara is well justified. Adding one UTL to Group, Santa Barbara as authorized in Planning Proposal 11-01-75 will enhance the capability in that area to handle short range/rapid response work. A minor change in rates and ratings is recommended for the WPB in another section of this proposal.

(2) Channel Islands will receive a 41' UTB as replacement for the 40' UTB in CY76. The two UTBs are fully justified and a change is therefore not recommended for this station.

(3) The WPB at Marina Del Rey is required to respond to any air traffic casualities a Los Angeles International Airport. While the work load is less than the desired average it avoids a gap in WPB resource coverage. The work load for this unit should increase due to other changes proposed herein and by tasking it with some SAR cases traditionally handled by the PT JUDITH or Channel Islands Station. A minor change in rates and ratings is recommended in another section of this proposal.

(4) The Central Sector of the SAR resource system includes a WPB located at Base, Terminal Island, UTBs at COTP LA/LB, a WPB at Alamitos Bay Long Beach and a WPB at Newport Beach.

(a) COTP LA/LB has two 40' UTBs in B-O and B-2 status to accomplish the SAR/mep/ps mission. Their range of operations for SAR purposes is extremely limited. In combining COTPs and MIOs, the preferred method is to combine the two units independent of a Group or other operational units. Although an MSO has not been formed in the LA/LB area as yet, (plans are currently underway to accomplish this within the year) it is proposed that the SAR responsibility be transferred from COTP LA/LB to Coast Guard Base, Terminal Island. An appropriate number of UTLs would be assigned to COTP LA/LB for their mep/ps mission. Requests for ocean dumping, off-shore transfer monitoring,

BEST AVAILABLE COPY

Catalina escort, etc., would be made to the appropriate command with WPB or UTB resources. A transfer of personnel billets from COTP LA/LB to Coast Guard Base, Terminal Island is recommended in another section of this proposal.

(b) Coast Guard Base Terminal Island has no SAR capability at present. The Base provides mooring facilities for the PT CAMDEN and the relief WPB PT CARREW. Shop space is also provided for COTP LA/LB boat maintenance personnel. Under this proposal the Base would receive 2-41' UTBs. One would be maintained in Bravo-O at all times while the other would be in Bravo-2 or greater (B6-324). This would be coordinated with the WPB at Los Alamitos Bay and will be discussed later. There would be no additional communications watch or capability imposed on Base, Terminal Island. The UTB would be dispatched by the Base OOD in response to TWX or telephone alert after which the UTB would CHOP to and communicate directly with RCC. The 41' UTBs will normally respond to SAR cases 0-10 miles. This will facilitate excessing one 82' WPB in the Los Angeles/Long Beach area. The Base would also have the relief WPB and relief 40' UTB in their inventory. Manning the relief 82' WPB for relief work, supplemental assignments and seasonal peak weekends at Catalina would be accomplished with Base (MST) support. There are four billets assigned as station keepers for the relief WPB. It is expected the MST will expand support to each WPB, UTB and smaller boats district wide. An appropriate increase in Base Terminal Island personnel billets is recommended elsewhere in this proposal.

(c) The WPB at Alamitos Bay is properly located in the revised system. The majority of cases within the 0-10 mile range will be handled by the UTBs. This will facilitate a standby status of Bravo-2 or greater and as the work load dictates. Thus a reduction in crew size is recommended in another section of this proposal.

(d) No change in resources is required at Newport Beach. Minor changes to the rates and ratings assigned the WPB are recommended in another section.

(5) The majority of the cases handled by the WPB at Oceanside are more suited for a smaller resource. However, assigning a WPB to that location precludes the necessity of establishing and operating "Coast Guard Station Oceanside." Removing the WPB from this location would cause an undesirable gap in the location of medium range resources. Since the WPB responds to many cases with their Boston Whaler, assigning a trailerable UTL to the WPB for their short range/rapid response SAR work is

BEST AVAILABLE COPY

appropriate. There are other changes contained in this proposal that will require an increase in this unit's more distant SAR case work load, particularly toward the southern region. Establish a COSARFAC with this WPB. Increase the crew to 1-0-13 due to an increase in Bravo-O status and to retain a work week as close as possible to the desired optimum.

(6) At San Diego we have a situation similar to the Los Angeles/Long Beach area, too much resource for the majority of cases; i.e., two WPBs and one 40' UTB. The UTB will be among the first to be replaced with a 41' UTB. It is proposed that two 41' UTBs be assigned to the Group and one WPB be excessed. A reduction in crew size of the remaining WPB is also proposed. One UTB will be on B-O while the other is on B-2 or greater along with the WPB and as the work load dictates. An increase in billets is recommended for the Group. The MSO has a UTL for the mep/ps mission.

3. This proposal does not require additional resources:

a. The 40' UTB replacement program schedules delivery of five 41' UTBs to this district during CY76. It is the availability of 41' UTBs through the replacement program that makes this reconfiguration of SAR resources possible.

b. The personnel resources required for this proposal and those presently authorized are the same at 8-1-134. However, the net effect of adding more hulls to the configuration requires more engineering skills and less need for nonrated support:

(1) Attachment (3) identifies geographical and unit location of billets presently associated with boat operations that will be affected by this proposal. The right column of attachment (3) shows the new rating structure for manning the proposed system under alternative A discussed below. Deviations from this are not listed for other Alternatives, however, the changes are identified in the total compilation of all billets involved.

(2) Attachment (4) lists the units affected by this proposal and their present and proposed personnel allowance totals.

(3) Attachments (5) and (6) list by paygrade and rating the present personnel resources and three alternative requirements for this proposal:

(a) Alternative A contains all the crewing recommendations described in the right hand column of attach-

BEST AVAILABLE COPY

ment (3); i.e., crewing of four fully augmented WPBs and two partially augmented WPBs; manning of the 41' UTBs at the new location of San Pedro and San Diego with six MK1s, six BM2s, six SNs (1-B-0, 1 B-2) and no change at Channel Island. This is the upper limit to required Commandant crew size for the 41' UTB (1-BM2/BM3, 1-MK1/MK2, 1-SN/SA). The MST is increased by seven billets to meet expanded area of coverage, additional units to maintain, and augment the relief WPB during peak periods of SAR activity and supplemental assignments. Additional recurring cost for this Alternative is $17.0K.

(b) Alternative B contains two basic changes. One is the changing of the 41' UTB rating structure to two MK1s, two MK2s, two SNs, two BM1s, four BM2s vice six MK1s and six BM2s at each new UTB location. Secondly, it deletes the third MK on the four fully augmented 82' WPBs and returns the SA. The recurring annual cost for this alternative is $5.7K.

(c) Alternative C includes Alternative B and also reduces the PSSTA LA/LB by five Petty Officers (3-BM3s, 2-MK3s) rather than one MK3 and four SN. PSSTA LA/LB organizational structure indicated 13 billets assigned to boat operations with an additional 12 (five rated, seven non rated) assigned to boat maintenance. The recurring costs for this alternative is $0.5K.

c. The present system requires 104 enlisted billets authorized S&Q. This proposal would reduce the number of billets assigned S&Q to 80 with recurring savings of $14.8K.

4. Alternative B is the preferred method of this proposal and is summarized below:

a. Excess two 82' WPBs (one each at Los Angeles/Long Beach and San Diego).

b. Change 82' WPB at Oceanside, California to COSARFAC and increase billet allowance to 1-0-13.

c. Reduce Bravo standby requirement for 82' WPBs at Los Alamitos and San Diego, California and reduce augmented crew to 1-0-10.

d. Delete SAR mission and four 40' UTBs from PSSTA LA/LB and add up to five UTLs to their boat allowance. Reduce personnel allowance by one MK3 and four SNs as PSSTA LA/LB requires petty officers to perform regulatory missions.

BEST AVAILABLE COPY

e. Add SAR mission and two 41' UTBs to Coast Guard Base, Terminal Island. Increase personnel allowance at Base, Terminal Island by 1-0-21 to operate boats, augment relief 82' WPB and perform additional MST work load.

f. Add two 41' UTBs to Group San Diego. Delete one 40' UTB. Increase personnel allowance by 0-0-12 to man the additional UTB.

g. Make specific personnel billet changes as recommended in attachment (7).

5. Although there will be some recurring savings, the main purpose of this proposal is to provide effective and efficient use of available resources and equipment. The recurring savings are listed below:

a.	Excess two WPBs	$50.0K
b.	Add six UTLs	(5.0K)
c.	Increased personnel costs	(3.7K)
d.	Reduced S&Q requirement	14.7K
	Recurring Savings	$56.0K

e. It is noted in the Cutter Plan the projected acquisition of ten WPBs in 1977. The Cutter Plan projects a 1977 Program Work Load in this district for ten WPBs whereas there are presently nine WPBs assigned including one relief boat. This proposal will preclude the need for the tenth WPB and could thus result in additional recurring savings as follows:

(1)	Nonaugmented WPB crew (0-0-9)	$95.0K
(2)	WPB maintenance and operating cost	25.0K
		120.0K
	Total recurring savings	$176.0K

f. Local storage and preventative maintenance is suggested for the two excess WPBs while we monitor the affects of the Program Work Load increases projected in the Cutter Plan. Should the required resource estimates used in developing this proposal prove accurate the potential for reducing WPB acquisition by three hulls is indicated; i.e., the two hulls excessed in this proposal plus the non-requirement for the tenth WPB discussed in the preceding paragraph:

Avoid acquisition of three WPB hulls @ $3.1 million each--$9.3M

BEST AVAILABLE COPY

Subj: Planning Proposal 11-01-76

6. Maintaining the status quo rather than adopting this proposal will not cause any predictable adverse effects on this district's SAR response capability. It would continue an inefficient use of resources as discussed in the earlier paragraphs.

7. Displacement of persons from housing is not a consideration of this proposal.

8. The changes proposed herein will not have an effect on the environment if adopted.

9. The PT STUART and PT CAMDEN were listed as excess in this proposal for the purpose of providing continuity for the reader. Specific recommendations for excessing NPBs and a phased transition plan will be submitted upon approval of the basic proposal.

JOSEPH R. STEELE

Attachments: (1) Present SAR Resource Locations
(2) Proposed SAR Resource Locations
(3) COSARFAC Study Redistribution of Resources by unit
(4) COSARFAC Study Personnel Allowance
(5) COSARFAC Study Redistribution of Resources
(6) COSARFAC Study Available/Required Personnel Resources by Grade/Rating
(7) Recommended Changes to Personnel Billet Allowance

BEST AVAILABLE COPY

APPENDIX B-3

DEVELOPMENT PLAN FORMAT (RCS CPE-1101)

(Name of Unit) Development Plan

I. Authority

1. Refer to Planning Proposal

II. Design Data (broad conceptual statement only - no detail)

III. Development Schedule

1. Phase #1 (AC&I #1)

2. Phase #2 (AC&I #2, etc.)

IV. Cost Data

1. Total Cost Summary

2. Line Item Summary

3. Summary by Phases

BEST AVAILABLE COPY

APPENDIX C

RESOURCE CHANGE PROPOSAL

DEPARTMENT OF TRANSPORTATION
U. S. COAST GUARD
CGHQ-4302A (Rev. 12-71)

RESOURCE CHANGE PROPOSAL
PART I - SUMMARY

1. PROGRAM: AN
2. RCP NO.: 737
3. I.D: 1
4. BY: 197_

5. RCP TITLE
Construct WLICs

6. PURPOSE
Provide sufficient aid construction capability.
Decommission overage WLIs.

APPROXIMATION OF NET RESOURCE CHANGES REQUIRED	BUDGET YEAR TOTAL COST ($000'S)	BUDGET YEAR TOTAL PERSONNEL MIL	BUDGET YEAR TOTAL PERSONNEL CIV	5-YEAR TOTAL COST ($000'S)	5-YEAR TOTAL MAN YEARS MIL	5-YEAR TOTAL MAN YEARS CIV
7. ALTERNATIVE A Construct 2 160' WLICs to replace SMILAX & VERBENA.	9340	-	-	8989	-27	-
8. ALTERNATIVE B Double crew 2 75' WLICs. Decommission SMILAX & VERBENA.	827	-3	-	2207	33	-
9. ALTERNATIVE C Decommission SMILAX & VERBENA. Hire contractors to drive piling for aids to navigation.	990	-	-	4428	-88	+16
10. ALTERNATIVE D						

11. IF APPROVED, WILL THIS CONSTITUTE A NEW OR SIGNIFICANTLY CHANGED ENDEAVOUR FOR THE COAST GUARD? ☐ YES ☒ NO --- IF YES, WHAT IS THE AUTHORITY OR MANDATE FOR IT?

IF THE AUTHORITY OR MANDATE IS NON-STATUTORY ATTACH DOCUMENTATION.
DOCUMENTATION ATTACHED ☐ YES ☒ NO

12. IS LEGISLATION REQUIRED? ☐ YES ☒ NO

13. IS AN ENVIRONMENTAL IMPACT STATEMENT REQUIRED? ☐ YES ☒ NO ☐ DONE

14. THE FOLLOWING SUPPORT MANAGERS HAVE BEEN CONSULTED IN PREPARING THIS RCP -
☐ GAP ☒ GAE ☐ GAF ☐ GAC ☐ R&D
GA SPECIFY: ☐ MEDICAL ☐ LEGAL ☐ IG OTHERS

15. THE FOLLOWING PROGRAM MANAGERS WHOSE PROGRAMS/FACILITIES ARE AFFECTED BY THIS CHANGE HAVE BEEN CONSULTED:

☐ AN	☐ OI	☐ LC	☐ MP	☐ OS	☐ PSS	☐ SAR
☐ SA	☐ ELT	☐ MEP	☐ MSA	☐ POS	☐ RBS	☐ ___
☐ CVS	☐ LA	☐ MO	☐ OM	☐ POW	☐ RT	☐ ___

16. IF ACSI FUNDS HAVE BEEN REQUESTED, HAS AN ACSI PROJECT BEEN SUBMITTED?
☐ YES ☒ NO REVIEW COMPLETED? ☐ YES ☐ NO

17. RCP APPROVED	18. TEL. NO.	19. DATE PREPARED	20. PROGRAM MANAGER SIGNATURE
CDR W. A. MUIFF	x61966	12/12/74	J. M. O'CONNELL, LCDR, USCG

21. PROGRAM/SUPPORT DIRECTOR SIGNATURE: W E Caldwell — CALDWELL
22. DATE APPROVED: 13 DEC 1974

DEPARTMENT OF TRANSPORTATION
U. S. COAST GUARD
CGHQ-4302C (Rev. 8-73)

RESOURCE CHANGE PROPOSAL
PART I - ANALYSIS

1. PROGRAM		
AN		
2. RCP NO.	3. ID	4. BY FY 7
737	1	

5. RCP TITLE
Construct WLICs

6. THIS RCP IS INTENDED TO: [X] SOLVE A PROBLEM [ ] REACH A GOAL ENROUTE TO A LONG RANGE OBJECTIVE
IT IS: [X] INCLUDED IN DETERMINATIONS [ ] NOT INCLUDED IN DETERMINATIONS (Explain in Block 9 below)

7. NARRATIVE DESCRIPTION OF PROBLEM OR GOAL (Complete here)

SMILAX & VERBENA, 100' A-class WLIs, have reached a state of technological obsolescence due to age. Both are slow, have inferior habitability, inadequate room for carrying piling, inadequate air and electrical capacity. Both are Zero compartment ships from a damage control standpoint.

VERBENA's pile driver is attached to the bow, obstructing visibility. VERBENA cannot drive 18" piling. Cannot drive long piles in shallow water.

SMILAX is assigned a 68' barge with pile driver; rough weather presents the danger of the barge breaking away from the tender.

8. CRITERIA (Quantitative) (Use short statements of fact, NOT complete sentences)

SMILAX and VERBENA were built in 1944. Design life is 30 years (Cutter Plan). 2 compartment standard of subdivision for new construction wherever possible is Coast Guard policy. VERBENA drives piling at 1/3 rate of 75' WLIC or 160' LWIC.

WLIC Requirements

	Present type (6.8 kts.)	1/2 present type (8.2 kts. avg.) 1/2 160' type (8.2 kts. avg.)
1980	20	17

HABITABILITY

	100' A	160' WLIC
Living Space FT^2/man	21	63.4
Sanitary Space FT^2/man	5.1	19.5
Men/shower	13	4
Men/water closet	6.5	4

Op Costs:

	1972	1973
100' A WLI	---$152,506	$185,381
160' WLIC (est. same as 75' WLIC)	---$112,551	$124,770

-- Older WLIs exceed CG standard of 13 weeks maintenance time per year.
WLI A-class personnel allowance 0+1+14
160' WLIC personnel allowance 0+0+11

-- Commercial beacon construction results in long delay in contracting process and/or contractor availability in area.

9. BACKGROUND (Complete here)

2 160' WLICs for CG08 were funded FY 1974.
1 160' WLIC for CG05 in the FY 1975 Congressional Stage budget was reprogrammed to meet higher Coast Guard needs. Funding for 1 set LLT material for use in 76 construction remains in budget.
2 160' WLICs have been requested in 76 budget.
It is planned that FY 76 funds would be tapped to provide FY 77 LLT material procurement. This RCP would permit payback of 76 funds, as well as requesting $1.4M for 2 sets of LLT material for FY 78.

BEST AVAILABLE COPY

DEPARTMENT OF TRANSPORTATION
U. S. COAST GUARD
CGHQ-4302D (Rev. 12-71)

RESOURCE CHANGE PROPOSAL
PART I - ANALYSIS (Cont'd)

1. PROGRAM		
AN		
2. RCP NO.	3. IO	4. BY 197 7
737	1	

5. RCP TITLE
Construct WLICs

Below and on the next 3 sheets analyze 4 alternative courses of action that would in whole or partially, solve the problem or attain the goal. The "don't do it" alternative is presumed as a fifth choice, so do not include it. Discuss the alternatives in the order of priority. Use only the space provided. Do not extend to extra pages.

6. ALTERNATIVE (A) *(Preferred Alternative)*

7. DESCRIPTION
Replace overage WLI/WLICs with 160' WLICs.

FY 1976 - Construct 160' WLICs to replace: VERBENA (CGD5)
SMILAX (CGD7)

8. APPROXIMATION OF NET RESOURCE CHANGES REQUIRED ($000's)

	BY	BY + 1	BY + 2	BY + 3	BY + 4	5 YR CUM. TOTAL
ACSI	9340	7571				9340
R&D/SA						
OE/MT (+ OR -)			(-117)	(-117)	(-117)	(-351)
PERS. CHANGES - EOY (+ OFF, +WO +ENL, +CIV.)			0-2-7-0	0-2-7-0	0-2-7-0	0-6-21-0

9. Benefits Expected *(Include Outputs where appropriate)*

Quantitative *(Equate to criteria where possible)* -

- $2,039,000 -- cost avoidance in 10 years versus alternative of replacing overage WLIs with 75' WLICs. Approximately 50 percent increase in speed yields projected productivity increase; lowers total projected 1985 WLIC requirements by 3 vessels. Estimated 10 percent less charlie time required for replacement vessels. 160' WLIC 20% more productive than 100' A-class WLI with pile driver. Maneuverability increase expected.
- Meets 2 compartmentation standard; allows phaseout of Zero compartment vessels.
- Improved service to user. Less delay in structure construction and/or replacement.
- 90% habitability space improvement.

Other
- 40% larger barge work area reduces deck congestion and allows greater storage areas of necessary construction materials.

10. Impact on CG People

Workload - None.

Living Conditions - Increase. Living space/man 41 Ft^2/man; sanitary space 14.4 Ft^2/man.

Working Conditions *(Incl. Safety)* - Improve safety because of greater working area on deck VERBENA work deck has 736 Ft^2. SMILAX barge 1904 Ft^2. 160' WLIC 2640 Ft^2.

11. Impact on Supporting Activities and Other Programs

R&D - None.

Training - None.

Eng. & Maintenance - Reduce. New vessels should require less maintenance.

Supply & Contracting - None.

Other *(Specify)* -

BEST AVAILABLE COPY

DEPARTMENT OF TRANSPORTATION
U. S. COAST GUARD
CGHQ-4302E (Rev. 12-71)

RESOURCE CHANGE PROPOSAL
PART I - ANALYSIS (Cont'd)

1. PROGRAM		
AN		
2. RCP NO.	3. ID	4. BY
737	1	FY 7

5. RCP TITLE
Construct WLICs

6. ALTERNATIVE (8)

7. DESCRIPTION
Decommission VERBENA and SMILAX. Double crew SLEDGE and SPIKE. Build additional construction barge for SLEDGE.

Double crew 2 additional WLICs to meet projected workloads for CGD5 and CGD7.

8. APPROXIMATION OF NET RESOURCE CHANGES REQUIRED ($000's)

	BY	BY+1	BY+2	BY+3	BY+4	5-YR CUM. TOTA
AC&I	300					300
R&D/SA						
OE/RT (OR-)	27	54	54	636	636	1,404
PERS. CHANGES-EOY (OFF.+WO +ENL. +CIV.)	0-1-2-0	0-2-4-0	0-2-4-0	0-2+26+0	0-2+26+0	0-9+42+0

9. Benefits Expected *(Include Outputs where appropriate) (Quantitative) (Equate to criteria where possible).*
Meet 5th and 7th district construction tender requirements with small AC&I investmen

Phase out overage zero compartment WLIs.

Other
Replacement 84' barge would provide 24 percent greater deck space.

10. Impact on CG People
Workload - None.

Living Conditions - Improve.

Working Conditions *(Incl. Safety)* - Improve safety because of greater working area. New 84' barges will have 2352 ft^2 area. VERBENA has 736 ft^2. SMILAX 1904 ft^2.

11. Impact on Supporting Activities and Other Programs
R&D - None.

Training - None.

Eng. & Maintenance - Will cost more than twice as much because maintenance will have to be shrunk into a shorter time frame.

Supply & Contracting - None.

Other *(Specify)* -

12. Why is this Alternative not preferred?
Analysis to Define Present & Future WLIC requirements shows that double crewing is a more expensive method of meeting WLIC requirements than single crewing.

Increase travel time connected with aid construction. SLEDGE is 180 miles from VERBENA's homeport.

BEST AVAILABLE COPY

DEPARTMENT OF TRANSPORTATION
U. S. COAST GUARD
CGHQ-4302E (Rev. 12-71)

RESOURCE CHANGE PROPOSAL
PART I - ANALYSIS (Cont'd)

1. PROGRAM		
4N		
2. RCP NO.	3. D	4. BY
737	1	77

5. RCP TITLE

Construct WLICs

6. ALTERNATIVE (C)

7. DESCRIPTION

Obtain commercial contracts for pile driving services in the 5th and 7th districts.
Decommission VERBENA and SMILAX.
Build two 65' buoy boats for inspection, positioning and hooking up the lights.
Also to handle buoys presently assigned to VERBEAN and SMILAX.

8. APPROXIMATION OF NET RESOURCE CHANGES REQUIRED ($000's)

	BY	BY+1	BY+2	BY+3	BY+4	5-YR CUM. TOTAL
AC&I	990	1022	1091	1159	1225	5488
R&D/OA						
OE/RT +OR-I		(-265)	(-265)	(-265)	(-265)	(-1060)
PERS. CHANGES-EOY +OFF.+WO -ENL. -CIV.		0-2-20+4	0-2-20+4	0-2-20+4	0-2-20+4	0-8-80+16

9. Benefits Expected (Include Outputs where appropriate) (Quantitative) (Equate to criteria where possible).

Phase out 2 overage zero compartment WLIs.
Reduce military billets required.

Other

10. Impact on CG People

Workload - Eliminate pile driving requirement for 2 vessels.

Living Conditions - None.

Working Conditions (Incl. Safety) - None.

11. Impact on Supporting Activities and Other Programs

R&D - None.

Training - None.

Eng. & Maintenance - Eliminate engineering support for 2 WLIs.

Supply & Contracting - GFE required. Estimate 2 man-years work required to contract for building or major repair of 500 aids annually.

Other (Specify) -

12. Why is this Alternative not preferred?

- Cost of constructing aids by contract is 24% higher than by WLIC, according to the Booz-Allen Study.
- Possibility of poor service to the mariner due to slow contractor response in rebuilding aids.
- Contract prices and availability of contractors can fluctuate widely.
- If the CG loses the construction capability of 2 tenders, then we would be at the mercy of the contractors to get aids built.

BEST AVAILABLE COPY

RCP SCORE SHEET

RCP 737 I.D. 01 TITLE Construct WLICS

Factors	Raw Score	x	Weight	=	Total
A. Contribution to Long Range Goals or Objectives	5	x	9	=	45
B. Relationship to Existing Programs and Resources	9	x	10	=	90
C. Mandate for Carrying Out Action	5	x	13	=	65
D. Substantiation of Need	9	x	5	=	45
E. Size of Public Benefited	5	x	10	=	50
F. Relationship of Benefits/Outputs to Costs	5	x	12	=	60
G. Effect on Personnel Workload	5	x	6	=	30
H. Effect on Present Living Conditions	7	x	5	=	35
I. Effect on Present Working Conditions and Safety	7	x	7	=	49
J. Impact on Physical Plant	7	x	7	=	49
K. Impact on Training Programs and Facilities	5	x	5	=	25
L. Support Managers Preparedness to Implement	9	x	5	=	45
M. Impact on Environment	5	x	3	=	15
N. Effect on Energy Consumption	5	x	3	=	15
			TOTAL		618

INSTRUCTIONS: COMPLETE IN LONGHAND: ATTACH TO ORIGINAL OF RCP.

DEPARTMENT OF TRANSPORTATION
U. S. COAST GUARD
CGHQ-4302D-1 (12-72)

RESOURCE CHANGE PROPOSAL
PART I - ANALYSIS - ALTERNATIVE A

1. PROGRAM: AN
2. RCP NO.: 737
3. D: 1
4. BY: 197 7

5. RCP TITLE

6. **Expected program contribution of proposed resource application.** Indicate the programs which will receive help from the resources requested in this ID. Estimate by percent allocation.

PROGRAM AREA	PROGRAM	PERCENT ALLOCATION
SEARCH AND RESCUE	Search and Rescue	3
	Domestic Icebreaking	
AIDS TO NAVIGATION	Short Range Aids To Navigation	94
	Radionavigation Aids	
	Bridge Administration	3
MARINE SAFETY	Commercial Vessel Safety	
	Recreational Boating Safety	
MARINE ENVIRONMENTAL PROTECTION	Port Safety And Security	
	Marine Environmental Protection	
OCEAN OPERATIONS	Ocean Operations	
	Polar Operations	
	Marine Science Activities	
	Enforcement Of Laws And Treaties	
MILITARY READINESS AND OPERATIONS	Military Operations	
	Military Preparedness	
RESERVE TRAINING	Coast Guard Reserve Training	
GENERAL SUPPORT	Communications Services Support	
	Personnel Support	
	Engineering Support	
	Financial Management, Personal And Supply Support	
TOTAL		100%

REMARKS

BEST AVAILABLE COPY

APPENDIX D

RCP SCORE SHEET

RCP _____ I.D. _____ TITLE _____

Factors	Raw Score	x Weight	= Total
A. Contributions to Long Range Goals or Objectives	___	x 9	= ___
B. Relationship to Existing Programs and Resources	___	x 10	= ___
C. Mandate for Carrying Out Action	___	x 13	= ___
D. Substantiation of Need	___	x 5	= ___
E. Size of Public Benefited	___	x 10	= ___
F. Relationship of Benefits/Outputs to Costs	___	x 12	= ___
G. Effect on Personnel Workload	___	x 6	= ___
H. Effect on Present Living Conditions	___	x 5	= ___
I. Effect on Present Working Conditions and Safety	___	x 7	= ___
J. Impact on Physical Plant	___	x 5	= ___
K. Impact on Training Programs and Facilities	___	x 5	= ___
L. Support Managers Preparedness to Implement	___	x 5	= ___
M. Impact on Environment	___	x 4	= ___
N. Effect on Energy Consumption	___	x 4	= ___
		TOTAL	

INSTRUCTIONS: COMPLETE IN LONGHAND: ATTACH TO ORIGINAL OF RCP.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

FISCAL YEAR 1977 / BUDGET ITEM NO A2F	PROJECT TITLE	NEAREST CITY & CONGRESSIONAL DISTRICT
	HIGH ENDURANCE/MEDIUM ENDURANCE CUTTER REPLACEMENT	Various

MISSION OR FUNCTION OF FACILITY

Search and Rescue — Marine Environmental Protection
Enforcement of laws and Treaties — Marine Science Activities
Military Preparedness

REASON FOR REQUEST AND PHYSICAL DESCRIPTION OF EXISTING FACILITY

Eight Medium Endurance and five High Endurance cutters will have reached the end of their useful service life by FY 1977 and FY 1981, respectively. These cutters are technologically obsolete in that they are not equipped with flight decks for helicopter operations. Habitability is of WW II standards. The engineering plants are costly to maintain in view of their 30-40 years age. Critical parts such as main engine, cylinder liners, and pistons are extremely difficult and expensive to procure. To meet the growing need of missions requiring reliable, helicopter capable, durable, and habitable vessels, replacements are required.

NARRATIVE DESCRIPTION OF REPLACEMENT FACILITY

General characteristics of the vessel:

Length	- 270 ft.	Speed	- 19.5 Knots
Beam	- 38 ft.	Range	- 6,500 N. M. @ 15 Knots
Draft	- 14 ft.	Propulsion	- Two - 3,500 HP Diesels
Displacement	- 1,780 tons	Helicopter flight deck and hangar	

The ship will be designed to modern habitability and environmental standards. Electronics, automated engine room, and communications equipments will be state of the art.

APPROPRIATION HISTORY

PROGRAM	APPROPRIATED YEAR	APPROPRIATED AMOUNT ($000)
N/A		$

PERSONNEL STRENGTH

	OFFICER	WARRANT	ENLISTED	CIVILIAN	TOTAL
CURRENT	6/10	1/3	65/125	0	72/138*
PLANNED	10	2	99	0	111**

REAL PROPERTY SUMMARY ($000)

	ACRES	LAND COST	VALUE OF IMPROVEMENTS	TOTAL
OWNED		$	$	$
BEING ACQUIRED				
LEASES AND EASEMENTS				
TOTAL AVAILABLE OR FUNDED				

A.C.&I. SUMMARY ($000)

AMOUNT OF THIS REQUEST	$ 49,000
ESTIMATED FUTURE COSTS NEXT 4 YEARS THIS PROJECT	269,500
ESTIMATED FUTURE COSTS NEXT 4 YEARS THIS FACILITY	N/A

COST ESTIMATE OF WORK

ITEM NO.	PROJECT ELEMENT	UNIT OF MEASURE	QUANTITY	ESTIMATED COST ($000)
1.	WMEC/WMEC replacement	EA	2	40,300
2.	Electronics equipment			3,340
3.	Installation of Navy furnished ordnance and antisubmarine warfare equipment		2	5,360
	Total			49,000

* Data for current personnel strengths shows typical crews for vessels being replaced as follows:
Typical WMEC/Typical WHEC

** This tentative actual personnel allowance includes aviation allowance of 3 officers and 6 enlisted personnel.

DEPARTMENT OF TRANSPORTATION, U.S. COAST GUARD
CGHQ 4265 (REV. 5-74)

Previous editions are obsolete

BEST AVAILABLE COPY

APPENDIX F

SCHEDULE OF PROGRAMMING EVENTS**

Date	Action by	Event	Budget for FY 77	Budget for FY 78
1 Jul 75	G-CBU	Publish Operating Stage FY 76 Budget or issue ALDIST on continuing resolution; issue annual allotments	X*	
	PD/PM SD/SM	Submit draft AC&I sheets for OST Stage Budget to G-CPA	X	
	G-CPE	Publish Long Range View including Technological Forecast		X
	Admin Allotment Units	Submit apportionment schedule to G-CBU; G-CBU forwards to OMB	X*	
15 Jul 75	PD/PM	Submit draft Plan Summary to G-CPE		X
1 Aug 75	G-CPE	G-C designates major issues, special studies		X
	G-CBU	Prepares submission of DOT Stage Budget to OST	X	
7 Aug 75	PD/PM	Submit smooth copies Plan Summary to G-CPE		X

**NOTES:

1. FY76 Programming Events are shown in the FY77 column with an asterisk.

2. The Congressional Budget and Impoundment Control Act of 1974 (PL93-344) will require extensive revision to the schedule of our PPBS events. This Amendment 9 schedule is an interim schedule that will be amended again as the revised event dates become known to the Coast Guard.

Date	Action by	Event	Budget for FY 77	Budget for FY 78
15 Aug 75	SD/SM	Submit draft Support Plan Summary to G-CPE		X
1 Sept 75	Districts & HDQTRS Units	Submit AC&I Project Proposals, AC&I Effective List, to G-C (G-CPA)		X
7 Sept 75	SD/SM	Submit smooth copies Support Plan Summary to G-CPE		X
15 Sept 75	AREA Commands	Submit single prioritized AC&I Effective List to G-C (G-CPA)		X
1 Oct 75	G-C & Staff	Preparation completed for OMB Hearings	X	
	PM/SM	Submit draft Determinations to G-CPA		X
6 Oct 75	PM/SM	Commence discussion of draft Determinations with G-CPA		X
20 Oct 75	PD/SD PM/SM	Submit second draft, Determinations to G-CPA		X
25 Oct 75	PD/SD	Commence discussion of Determinations with G-CCS		X
15 Nov 75	G-C	Issue Major emphasis topics and Determinations		X
1 Dec 75	PD/PM SD/SM	Submit AC&I Appropriation RCP's and PD/PM Priority Lists		X
15 Dec 75	G-L	Prepare draft Authorization Legislation		X

Date	Action by	Event	Budget for FY 77	Budget for FY 78
15 Dec 75 (cont.)	PD/PM SD/SM	Submit photos for AC&I Photo Book. Update book.	X	
20 Dec 75	G-CBU	Transmit Congressional Stage Budget schedules to OMB	X	
10 Jan 76	G-CBU	Submit draft G-C statement for Congressional Authorization Hearings.		X
15 Jan 76	PD/SD PM/SM	Submit Planning Factors to G-CPA for G-CCS Approval	X	
	G-CPA	Submit Congressional Stage Budget Adjustment proposals to meet OMB Marks	X	
	G-CCS/ Coordinating Board	Develop Congressional Stage Budget	X	
	G-CPA	Publish Photo Book for Congressional Hearings	X	
	G-CBU	Submit Congressional Stage Budget justification	X	
30 Jan 76	G-CPA	Complete Commandant's Congressional Hearing Data Book	X	
Feb 76	G-C & Staff	House Authorization Hearings		X
1 Feb 76	PD/PM SD/SM	Submit RDT&E, RT, BA, Appropriation RCP's and PD/PM Priority Lists to G-CPA		X

Date	Action by	Event	Budget for FY 77	Budget for FY 78
15 Feb 76	G-CPA	Distribute approved Planning Factors	X	
Mar 76	G-C & Staff	Senate Authorization Hearings		X
7 Mar 76	PD/PM SD/SM	Submit OE Appropriation RCP's and PD/PM Priority Lists		X
15 Mar 76	G-CPE	Distribute Spring Preview issue statement		X
7 Mar 76	G-CCS	Proposes budget overview to G-C		X
25 Mar 76	G-CCS	Coordinating Board development of Spring Preview		X
30 Mar 76	G-CPA	Proposes OE Priority List, budget level to G-CCS		X
1 Apr 76	G-CCS	Recommends Spring Preview Budget to G-C		X
15 May 76	District/ HQ Unit CO's	Submit 5% - 10% list; (See Ch VIII)	X	

LIST OF REFERENCES

1. Bower, Joseph L., Managing the Resource Allocation Process: A Study of Corporate Planning and Investment, p. 2-9, Harvard University, 1970.

2. Bragaw, Louis K., Phillip B. Moberg, and James P. Baughman, "United States Coast Guard (B)," p. 19-36, The Intercollegiate Case Clearing House, 1975.

3. Burkhead, Jesse, Government Budgeting, p. 101, John Wiley & Sons, Inc., 1956.

4. Congressional Record, Vol. 107, Part 13, p. 18161-18162.

5. Congressional Quarterly Weekly Report, p. 2863-2869, Congressional Quarterly, Inc., 27 December 1975.

6. Elliott, Daniel J. and Jefferey M. Garrett, "The Coast Guard Budget Process," A Term Project directed by CDR L.K. Bragaw, U. S. Coast Guard Academy, Spring, 1974.

7. Fenno, Richard F., Jr., The Power of the Purse, pp. 73, 114, 414, 441-444, 616, Little, Brown and Company, 1966.

8. Hovey, Harold A., The Planning-Programming-Budgeting Approach to Government Decision-Making, p. 68-69, Frederick A. Prager, Inc., 1968.

9. Lasswell, Harold D., Politics: Who Gets What, When, How, McGraw Hill Book Co., 1936.

10. Lynch, Thomas D., Policy Analysis in Public Policymaking, p. 6-10, D. C. Heath and Company, 1975.

11. Mottley, Charles M., "Strategic Planning," Management Highlights, No. 56, Office of Management Research, U. S. Department of the Interior, September 1967.

12. Scarborough, R. H., "Resource Allocation in Coast Guard," Notes for a Chief of Staff Address to the U. S. Coast Guard Academy Corps of Cadets, p. 1-23, 21 February 1976.

13. U. S. Coast Guard, Determinations For FY-76, December 1973.

14. U. S. Coast Guard, FY-77 RCP Submission, Chief of Staff Memo, 11 December 1974.

15. U. S. Coast Guard, The Long Range View, Commandant Note 5000, 1 October 1973.

16. U. S. Coast Guard, Program Outlooks, Commandant Note 5000, 24 February 1976.

17. U. S. Coast Guard, 1976-1986 Plan Summaries, 17 December 1973.

18. U. S. Department of Transportation, U. S. Coast Guard Manual of Budgetary Administration (CG-255), 6 July 1973.

19. U. S. Department of Transportation, U. S. Coast Guard Planning and Programming Manual (CG-411), 13 January 1971.

20. U. S. Department of Transportation, "Departmental Planning, Programming, and Budgeting Process," DOT Instruction 5100.2, 12 April 1972.

21. Uyterhoeven, Hugo E. R., Robert W. Ackerman and John W. Rosenblum, Strategy and Organization, p. 9-13, Richard D. Irwin, Inc., 1973.

22. Wildavsky, Aaron, The Politics of the Budgetary Process, pp. 47, 51, 88-89, Little, Brown and Company, 1966.

INITIAL DISTRIBUTION LIST

		No. Copies
1.	Defense Documentation Center Cameron Station Alexandria, Virginia 22314	2
2.	Library, Code 0212 Naval Postgraduate School Monterey, California 93940	2
3.	Department Chairman, Code 54 Administrative Sciences Department Naval Postgraduate School Monterey, California 93940	1
4.	Commandant (GPTP-1/72) USCG Headquarters 400 7th St. SW Washington, D. C. 20590	2
5.	CDR J. C. Tibbitts, Code 54Ti Administrative Sciences Department Naval Postgraduate School Monterey, California 93940	1
6.	CDR L. K. Bragaw 16 Colony Road East Lyme, Conn. 06333	2
7.	LT R. J. Losea Commandant (GFPS) USCG Headquarters 400 7th St. SW Washington, D. C. 20590	1