

# NOTES FROM THE:

## *Deputy Assistant Secretary, Budget*



by Maj General Stephen R. Lorenz

Whew! What a year! I dare to say one of the most challenging, invigorating, and rewarding years in my Air Force career. Through a great team effort at the Major Commands, Centers, and bases, we were able to successfully push much needed resources to the warfighters. For our budget community, it is not possible to look back on this past year without reflecting on the events of September 11 and their impact on all of us. At the Air Staff and Secretariat, it meant an immediate **call to action**, to assure that the dollars were in place to support the nation's response to these tragic events. We worked two funding supplementals in support of the war on terrorism and processed two reprogramming actions. At every major command and installation, financial people were called upon to balance the resources by cashflowing new, unforeseen demands related to the terrorist threat and the ongoing requirements of training and readiness. I think we learned and relearned through this experience that this community is responsive, resourceful, innovative, and above all focused on supporting the mission the nation gives to us. The impact of these events cannot be measured appropriately in financial terms—but the financial dimensions of the task are useful to recall so that we have a perspective on what we have done as a community in this past year. During FY02, we added nearly \$8.5B to the Air Force budget that had neither been planned nor contemplated on 10 September 2001. We supported a *burn rate* for operations that exceeded \$600M per month at its peak. We financed the callup of over 30,000 from the Reserve and Guard forces to support requirements both abroad and in the United States. In the end, we were able to pay all **cost of war** and all the executable critical readiness bills. Along the way we made sure these new requirements were recognized in FY03 and in our plans for future budgets. In these accomplishments we can all take pride.

Even as these remarkable events unfolded, we were attending to the more routine challenges of budgeting—new budget cycles and improved budget processes. In the latter area we have made

some important early steps but, there is much remaining to be done. In this past year we actively engaged with the programming community (AF/XP) to weave our organizations and our processes together, here at the headquarters, so that the resourcing process in the Air Force is for all practical purposes a seamless enterprise. We are engaged with the acquisition community, through an ongoing SAF/FM and SAF/AQ roundtable, to assure that financial processes and financial issues are addressed to support the lean and agile acquisition process that is emerging to better provide the capabilities that our Air Force requires. We are working with the National Reconnaissance Office (NRO), in the wake of recent reorganization of space-related functions, to develop and implement financial best practices. We are looking at budget systems to be sure they are part of an overall strategy and structure that promotes improved processes and wise investment of limited resources. We are actively participating in a Defense Planning Guidance (DPG)-directed study of Planning, Programming, and Budgeting System (PPBS) that will examine whether this process or some alternative to it best meets the requirement for responsive resourcing and decision making at the senior levels of the Department. Taken together, these are efforts that, if we are diligent, can strengthen our ability to make the FM community true strategic partners in decision making across the Air Force.

Challenging times are still ahead. For FY03, we must continue to fight at every level for much needed funds. **Operation Noble Eagle** and **Operation Enduring Freedom** continue and we must get the resources to the warfighters as fast as we can to be successful. I urge each of you to keep up the great work you do!

