

8. PERFORMANCE IMPROVEMENT

8.1 INTRODUCTION

This chapter fulfills the requirements of the Government Performance and Results Act of 1993 (GPRA), the GPRA Modernization Act (GPRAMA) of 2010, and Office of Management and Budget (OMB) Circular A-11 – all of which call for integration of annual performance results and goals in Congressional budget justifications. This chapter complements the appropriation-specific budget justification information that is submitted to the Congress by providing:

- A performance-focused articulation of the Defense Department's strategic goals and objectives; and
- A limited number of DoD-wide performance improvement priorities for senior-level management focus over the current and budget year.

Section 8.2 discusses how the DoD performance management process is linked to the Department's Planning, Programming, Budgeting, and Execution System (PPBES) process and senior level personnel management process.

Section 8.3 provides a summary of the Department's mission, organization, and major functions, as required by the GPRA of 1993.

Section 8.4 describes how the Department's Strategic Plan forms the basis for development of the DoD's Annual Performance Plan (APP), as required by the GPRA of 1993.

Section 8.5 provides the Department's FY 2012 Annual Performance Report (APR), as required by the GPRA of 1993.

Section 8.6 provides an update to the Department's FY 2013 Annual Performance Plan and carries over the five Agency Priority Goals (APGs) from the FY 2012 Performance Plan, as required by the GPRAMA of 2010.

Section 8.7 provides the Department's FY 2014 Annual Performance Plan.

The Department looks forward to working with the Administration and Congress in meeting the challenge of creating more effective and efficient operations, while delivering high value in return for the American taxpayer's investment in the Defense Department.

8.2 DOD PERFORMANCE, BUDGET, AND PERSONNEL INTEGRATION

Ultimate responsibility for performance improvement in the Defense Department rests with the Deputy Secretary of Defense in his role as the Chief Management Officer (CMO) and as the Chief Operating Officer (COO), pursuant to the GPRAMA of 2010. Principal Staff Assistants (PSAs), within the Office of the Secretary of Defense, are responsible for recommending performance goals and achieving results for their respective functional oversight areas.

OMB Circular A-11 characterizes a performance budget as a hierarchy of goals that align to an agency's strategic plan. The Department's performance budget hierarchy is depicted in Figure 8-2. This hierarchy indicates that every level of the DoD is accountable for measuring performance and delivering results that support the DoD-wide strategic goals and objectives. Performance accountability cascades to various management levels (DoD-wide to DoD Component to program level) with personnel accountability at all management echelons.

Figure 8-1. Department of Defense Performance Budget Hierarchy



The Quadrennial Defense Review (QDR) Report satisfies the GPRA requirement for each federal agency to submit a strategic plan. The QDR Report forms the basis for the Department's Annual Performance Plan. Goals, objectives, and performance measures are updated annually to reflect changes to strategic direction or management priorities. Performance measures must be supported by accurate and reliable data and computation methodologies before they are approved with results verified by DoD senior-level accountable officials.

The DoD Annual Performance Report (APR) and Annual Performance Plan (APP) are ultimately part of the Congressional budget justification, at <http://comptroller.defense.gov/>, that is forwarded to the President for his approval.

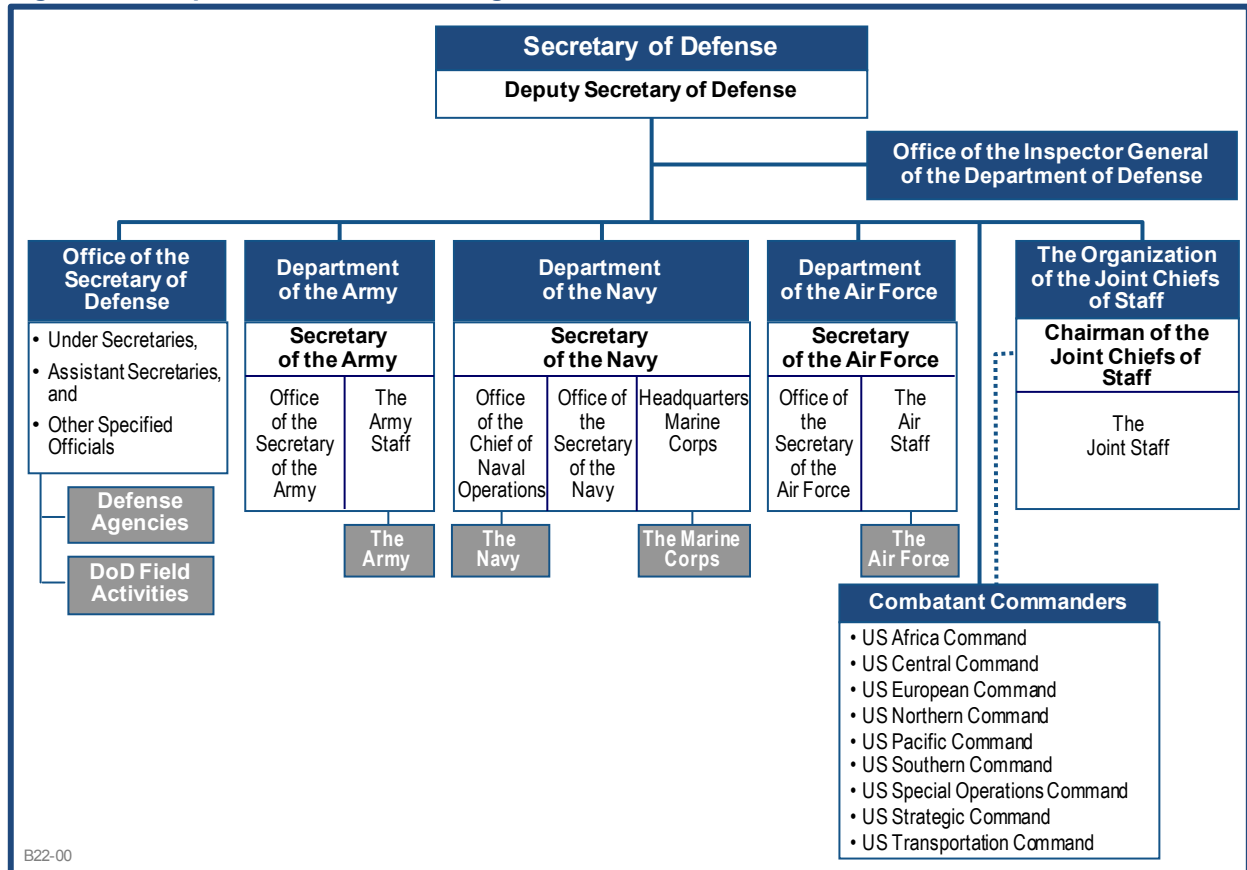
Title 5, U.S.C., section 4312 and Office of Personnel Management (OPM) implementing instructions require performance evaluations for DoD's Senior Executive Service (SES) members and Senior Level/Scientific and Technical (SL/ST) professionals be based on both individual and organizational performance. OPM further requires that each Agency describe, at the end of the performance rating period, how it assessed organizational performance and how it communicated that performance to rating and reviewing officials and members of Performance Review Boards to inform individual performance decisions. The Department utilizes its Annual Performance Report, along with other PSA and DoD Component-specific performance results, as the basis for DoD-wide organizational assessment and senior level personnel evaluations.

8.3 DOD MISSION, ORGANIZATION STRUCTURE, AND MAJOR FUNCTIONS

The mission of the Department of Defense (DoD) is to provide the military forces needed to deter war, to win wars if needed, and to protect the security of the United States. Since the creation of America's first army in 1775, the Department and its predecessor organizations have evolved into a global presence of 3 million individuals, stationed in more than 140 countries and dedicated to defending the United States by deterring and defeating aggression and coercion in

critical regions. Figure 8-2 illustrates how the Department of Defense is organized. Details on major operating components are discussed below.

Figure 8-2. Department of Defense Organizational Structure



The Office of the Secretary of Defense (OSD)

The Secretary of Defense and his Principal Staff Assistants (PSAs) are responsible for the formulation and oversight of defense strategy and policy. Figure 8-2 depicts the immediate Office of the Secretary of Defense, comprised of several Under Secretaries of Defense (USDs) and Assistant Secretaries of Defense (ASDs) for various functional areas. Select OSD Principals also oversee the activities of various defense agencies and DoD field activities.

Military Departments

The Military Departments consist of the Army, Navy (of which the Marine Corps is a component), and the Air Force. In wartime, the U.S. Coast Guard becomes a special component of the Navy; otherwise, it is part of the Department of Homeland Security. The Military Departments organize, staff, train, equip, and sustain Active duty, Reserve, and National Guard forces. When the President and Secretary of Defense determine that military action is required, these trained and ready forces are assigned to a Combatant Command responsible for conducting military operations. The National Guard has a unique dual mission with both Federal and state responsibilities. The Guard is commanded by the governor of each state or territory, who can call the Guard into action during local or statewide emergencies such as

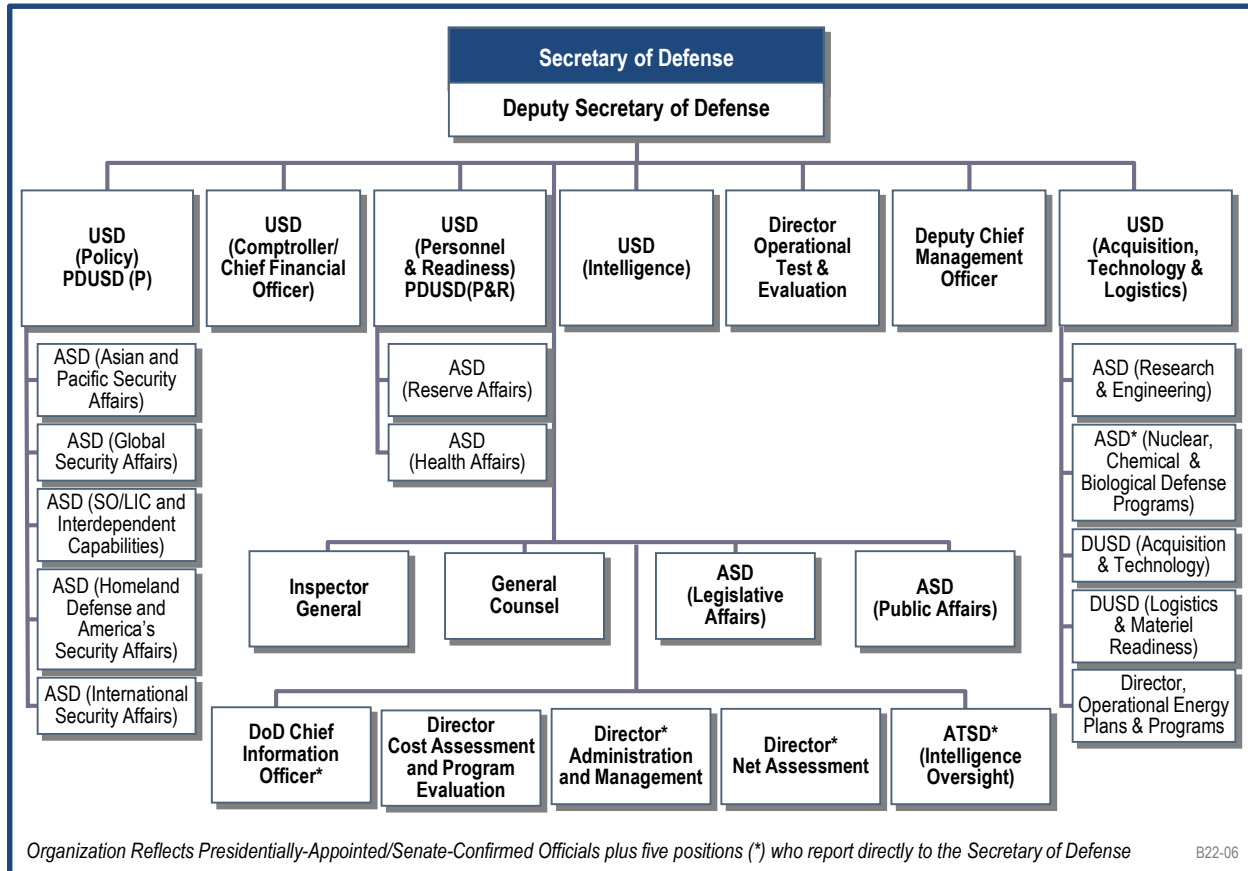
Overview – FY 2014 Defense Budget

storms or civil disturbances. When ordered to active duty for mobilization or called into Federal service for national emergencies, units of the Guard are placed under operational control of the appropriate Combatant Commanders. The Guard and Reserve forces are recognized as indispensable and integral parts of the nation's defense.

Defense Agencies

Seventeen defense agencies have evolved over time as a result of DoD-wide functional consolidation initiatives. Defense agencies provide a variety of support services commonly used throughout the Department.

Figure 8-3. Department of Defense Organizational Structure



Department of Defense (DoD) Field Activities

Ten DoD field activities have also evolved from functional consolidations. However, these activities perform missions typically more limited in scope than defense agencies.

The Joint Staff (JS)

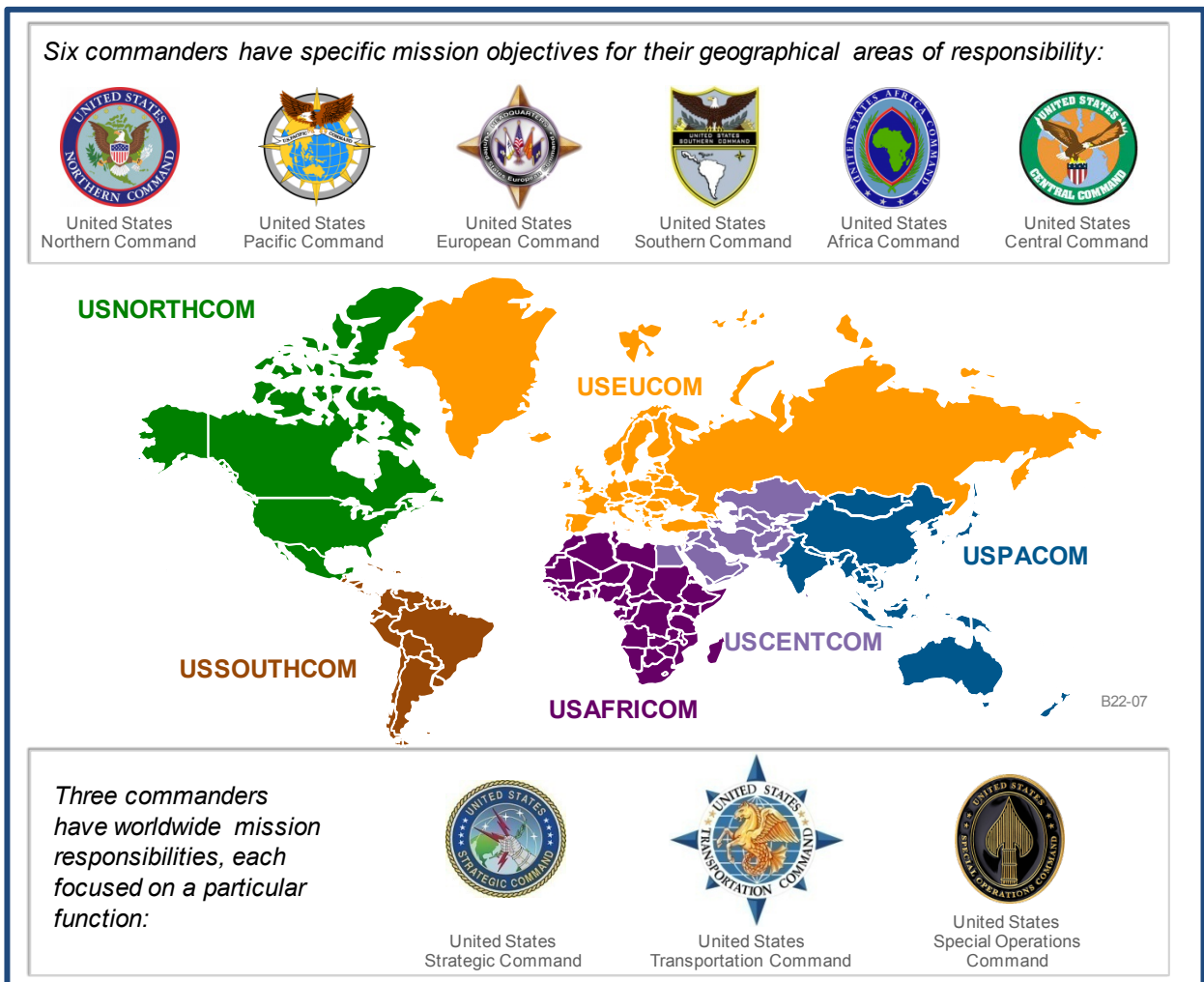
The Chairman of the Joint Chiefs of Staff (CJCS) is the principal military advisor to the President, the National Security Staff, and the Secretary of Defense. The Chairman and his staff assist the President and the Secretary in providing for the strategic direction of the Armed Forces, including operations conducted by the Commanders of the Combatant Commands.

Combatant Commands

Nine Combatant Commands are responsible for conducting the Department's military operational missions around the world. Six commands (Figure 8-4) have specific military operational mission objectives for geographic areas of responsibility.

- U.S. European Command (USEUCOM) is responsible for activities in Europe, Greenland, and Russia.
- U.S. Central Command (USCENTCOM) is responsible for the Middle East, Egypt, and several of the former Soviet republics.
- U.S. Pacific Command (USPACOM) is responsible for China, South and Southeast Asia, Australia, and the Pacific Ocean.
- U.S. Southern Command (USSOUTHCOM) is responsible for Central and South America and the Caribbean.
- U.S. Northern Command (USNORTHCOM) is responsible for North America, including Canada and Mexico.
- U.S. Africa Command (USAFRICOM) is responsible for Africa (except Egypt).

Figure 8-4. Combatant Commands Geographic and Functional Areas



Three Commands have worldwide mission responsibilities focused on a particular function(s):

- U.S. Strategic Command (USSTRATCOM) provides global deterrence capabilities, direction of Global Information Grid operations, and synchronizes Department efforts to combat weapons of mass destruction worldwide.
- U.S. Special Operations Command (USSOCOM) leads, plans, synchronizes, and as directed, executes global operations against terrorist networks.
- U.S. Transportation Command (USTRANSCOM) moves military equipment, supplies, and personnel around the world in support of operations.
- The Military Departments supply the necessary capabilities to these Commands. As such, the operating costs of these commands (except the USSOCOM) are subsumed within each Military Department’s budget.

Figure 8-5 shows a complete listing of DoD Major Organizational Components.

Figure 8-5. DoD Major Organizational Components

MILITARY DEPARTMENTS (3):	
• Department of the Army (Army) • Department of the Air Force (AF) • Department of the Navy (Navy)/Marine Corps (MC)	
DEFENSE AGENCIES (17):	
<ul style="list-style-type: none"> • Defense Advanced Research Projects Agency (DARPA) • Defense Commissary Agency (DeCA) • Defense Contract Audit Agency (DCAA) • Defense Contract Management Agency (DCMA) • Defense Finance and Accounting Service (DFAS) • Defense Information Systems Agency (DISA) • Defense Intelligence Agency (DIA) • Defense Legal Services Agency (DLSA) • Defense Logistics Agency (DLA) 	<ul style="list-style-type: none"> • Defense Security Cooperation Agency (DSCA) • Defense Security Service (DSS) • Defense Threat Reduction Agency (DTRA) • Missile Defense Agency (MDA) • National Geospatial-Intelligence Agency (NGA) • National Reconnaissance Office (NRO) • National Security Agency (NSA) • Pentagon Force Protection Agency (PFPA)
DOD FIELD ACTIVITIES (10):	
<ul style="list-style-type: none"> • Defense Media Activity (DMA) • Defense Prisoner of War/Missing Personnel Office (POW/MPO) • Defense Technical Information Center (DTIC) • Defense Technology Security Administration (DTSA) • DoD Education Activity (DoDEA) 	<ul style="list-style-type: none"> • DoD Human Resources Activity (DHRA) • DoD Test Resource Management Center (TRMC) • Office of Economic Adjustment (OEA) • TRICARE Management Activity (TMA) • Washington Headquarters Services (WHS)
OTHER ORGANIZATIONS (8):	
<ul style="list-style-type: none"> • Court of Military Appeals (CMA) • Defense Acquisition University (DAU) • Defense Health Program (USD(P&R)/DHP) • DoD Inspector General (DoDIG) 	<ul style="list-style-type: none"> • National Defense University (NDU) • Office of the Secretary of Defense (OSD) • Office of Test and Evaluation (OTE) • The Joint Staff (TJS)
THE COMBATANT COMMANDS (9):	
<ul style="list-style-type: none"> • U. S. European Command (USEUCOM) • U. S. Central Command (USCENTCOM) • U. S. Pacific Command (USPACOM) • U. S. Southern Command (USSOUTHCOM) • U. S. Northern Command (USNORTHCOM) 	<ul style="list-style-type: none"> • U. S. Strategic Command (USSTRATCOM) • U. S. Special Operations Command (USSOCOM) • U. S. Transportation Command (USTRANSCOM) • U.S. African Command (USAFRICOM)
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8.4 DOD STRATEGIC PLAN

Every four years, subsection 118 of Chapter 2, United States Code requires that the Secretary of Defense, in consultation with the Chairman of the Joint Chiefs of Staff, conduct a comprehensive examination of the United States defense strategy and establish a defense program for the next 20 years. This review examines national defense strategy, force structure, force modernization plans, infrastructure, budget plans, and other elements of the defense program and policies of the United States, consistent with the most recent National Security Strategy and National Military Strategy prescribed by the President. The review calls for a budget plan that would be required to provide sufficient resources to execute successfully the full range of missions called for in the national defense strategy at a low-to-moderate level of risk. Consequently, the Department’s Quadrennial Defense Review (QDR) Report constitutes the DoD’s strategic plan. The Secretary of Defense submits the QDR Report to the President and the Committees on Armed Services of the U.S. Senate and the U.S. House of Representatives.

In February 2010, Secretary Gates released the latest QDR Report – i.e., DoD’s Strategic Plan. The 2010 QDR Report recognizes that the United States is deeply intertwined with the broader international system and is focused on protecting our people, promoting stability in key regions, providing assistance to nations in need, and promoting the common good. The United States faces a complex and uncertain security landscape in which the pace of change continues to accelerate. The rise of new powers, the growing influence of non-state actors, and the spread of destructive technologies pose challenges to international order. The distribution of global political, economic, and military power is becoming more diffuse. The United States must increasingly rely on key allies and partners if it is to sustain stability and peace. America’s interests and role in the world requires armed forces with cutting-edge capabilities and a willingness on the part of the nation to employ them in defense of our interests and the common good. Given this threat environment, the Defense Department needs a broad portfolio of military capabilities that remain agile, flexible, ready, innovative, and technologically-advanced.

In order to help defend and advance our national interests, the 2010 QDR Report recognized four priority objectives: prevail in today’s wars; prevent and deter conflict; prepare for a wide range of contingencies; and preserve and enhance the All-Volunteer Force. At the same time, the QDR Report acknowledged that the DoD had to implement an agenda that reforms how it does business. Consequently, these five imperatives reflect the Department’s 2010 QDR strategic goals and form the basis for the DoD’s Annual Performance Plans. Figure 8-6 indicates that the first three strategic goals represent the Department’s primary warfighting missions. Strategic goals 4 and 5, focused on DoD infrastructure, are considered supporting goals.

Figure 8-6. DoD Strategic Goals

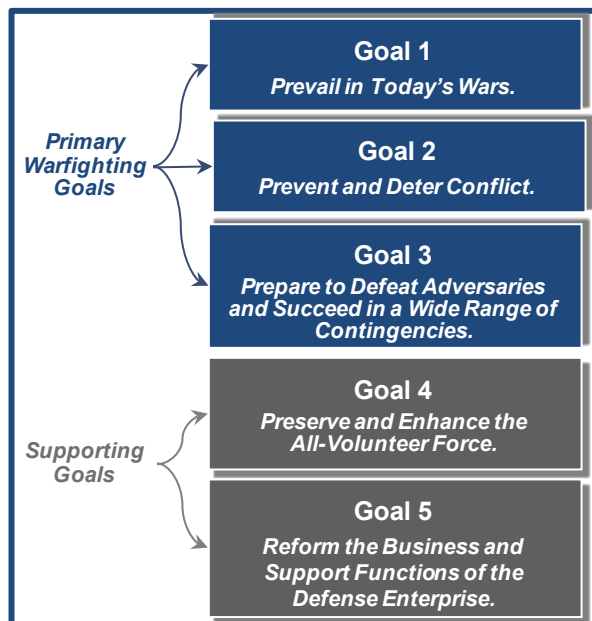


Figure 8-7 provides a summary of the Department’s 20 strategic objectives, pursuant to the 2010 QDR Report. A copy of the Defense Department’s Strategic Plan (i.e., 2010 QDR Report) can be found at <http://www.defense.gov/qdr/>.

Figure 8-7. DoD Strategic Goals and Strategic Objectives

STRATEGIC GOAL 1: PREVAIL IN TODAY'S WARS.

- 1.1-OCO: Degrade the Taliban to levels manageable by the Afghan National Security Force (ANSF), while increasing the size and capability of the ANSF.
- 1.2-OCO: Execute a responsible drawdown of the U.S. military presence in Iraq.

STRATEGIC GOAL 2: PREVENT AND DETER CONFLICT.

- 2.1-1F1: Extend a global posture to prevail across all domains by increasing capacity in general purpose forces and by enhancing stability operations and foreign security force competency.
- 2.2-1F2A: Maintain a safe, secure, and effective nuclear arsenal to deter attack on the U.S. and on our allies and partners.
- 2.3-1F3: Strengthen cooperation with allies and partners to develop and field robust, pragmatic, and cost-effective missile defense capabilities.
- 2.4-1X2: Ensure sufficient Intelligence, Surveillance, and Reconnaissance (ISR) collection and analysis capacity for full spectrum operations and ensure resiliency of ISR operations.

STRATEGIC GOAL 3: PREPARE TO DEFEAT ADVERSARIES AND SUCCEED IN A WIDE RANGE OF CONTINGENCIES.

- 3.1-1F2B: Improve the responsiveness and flexibility of consequence management response forces.
- 3.2-1F2C: Enhance capacity to locate, secure, or neutralize weapons of mass destruction, key materials, and related facilities.
- 3.3-1F2C: Enhance U.S. capabilities to train, advise, and assist foreign security forces and their sustaining institutions to operate with or in lieu of U.S. forces.
- 3.4-1X1: Expand capacity to succeed against adversary states armed with anti-access capabilities and/or nuclear weapons and improve capabilities to conduct effective operations in cyberspace and space.
- 3.5-2D: Maintain a strong technical foundation within the Department's Science and Technology (S&T) program.

STRATEGIC GOAL 4: PRESERVE AND ENHANCE THE ALL-VOLUNTEER FORCE.

- 4.1-2M: Provide top-quality physical and psychological care to wounded warriors, while reducing growth in overall healthcare costs.
- 4.2-2P: Ensure the Department has the right workforce size and mix, manage the deployment tempo with greater predictability, and ensure the long-term viability of the Reserve Component.
- 4.3-2R: Better prepare and support families during the stress of multiple deployments.
- 4.4-2T: Train the Total Defense Workforce with the right competencies.

STRATEGIC GOAL 5: REFORM THE BUSINESS AND SUPPORT FUNCTIONS OF THE DEFENSE ENTERPRISE.

- 5.1-2A: Increase use of renewable energy and reduce energy demand at DoD installations.
- 5.2-2C: Protect critical DoD infrastructure and partner with other critical infrastructure owners in government and the private sector to increase mission assurance.
- 5.3-2E: Improve acquisition processes, from requirements definition to the execution phase, to acquire military-unique and commercial items.
- 5.4-2L: Provide more effective and efficient logistical support to forces abroad.
- 5.5-2U/V: Improve financial management and increase efficiencies in headquarters and administrative functions, support activities, and other overhead accounts.

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8.5 FY 2012 DOD ANNUAL PERFORMANCE REPORT

FY 2012 DOD Summary Performance Results

The Department's FY 2012 Annual Performance Plan (APP) includes five overarching strategic goals, 20 broad-based strategic objectives, and 72 enterprise-level or DoD-wide performance goals. It also includes, as sub-goals of the APP, five Agency Priority Goals (APGs), pursuant to the GPRA Modernization Act of 2010.

Since the publication of the FY 2012 President's Budget, three performance measures were eliminated that reduced the total number of DoD-wide performance goals assessed for FY 2012 from 72 to 69. Two goals were deferred, pending approval of an implementation plan for the

New START treaty. A third goal, focused on Veterans Administration and DoD transition to joint data centers, was also eliminated.

Based on the 69 DoD performance results that are assessed, 71 percent of these (49 of 69) met or exceeded their annual performance goals; 29 percent (20 of 69) did not achieve their annual goals, as depicted in Figure 8-8.

Figure 8-9 reflects FY 2012 performance results by DoD strategic goal area. The Department achieved an 89 percent (17 of 19) success rate in accomplishing its core warfighting (primarily DoD strategic goals 1, 2, and 3) outcomes. However, less progress was made in the support establishment (primarily DoD strategic goals 4 and 5), where the Department achieved a 64 percent (32 of 50) success rate in achieving infrastructure results.

Figure 8-8. FY 2012 DoD Summary Performance Results

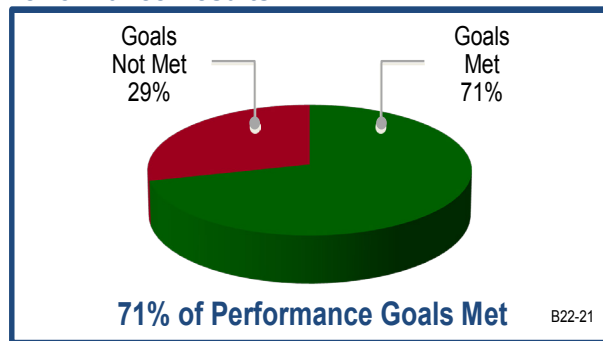
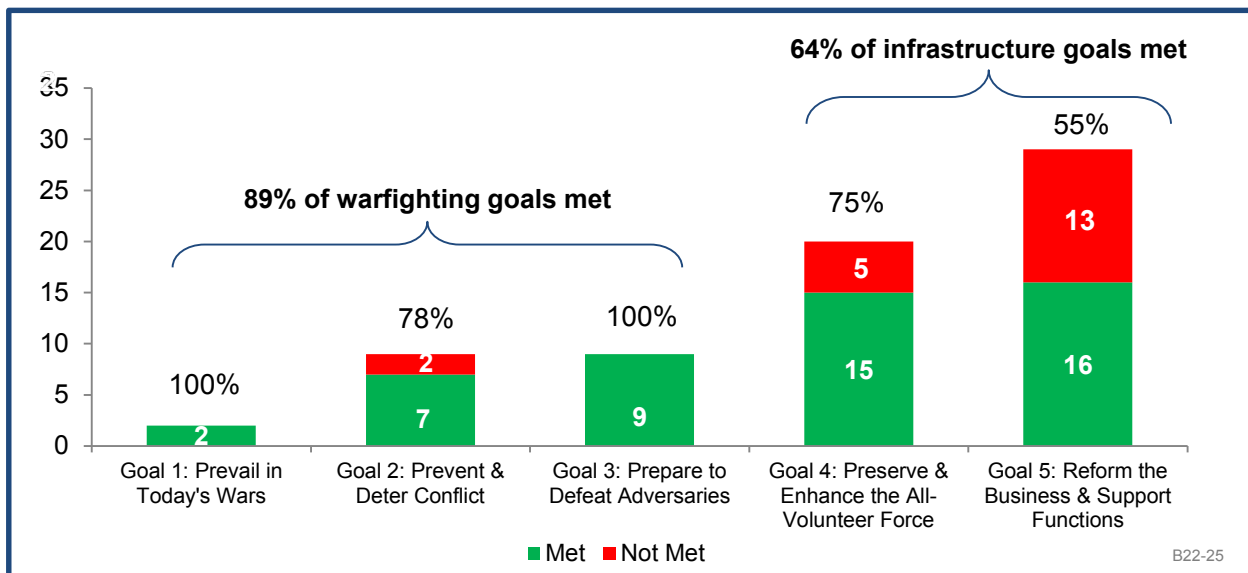


Figure 8-9. DoD FY 2012 Performance Results by Strategic Goal

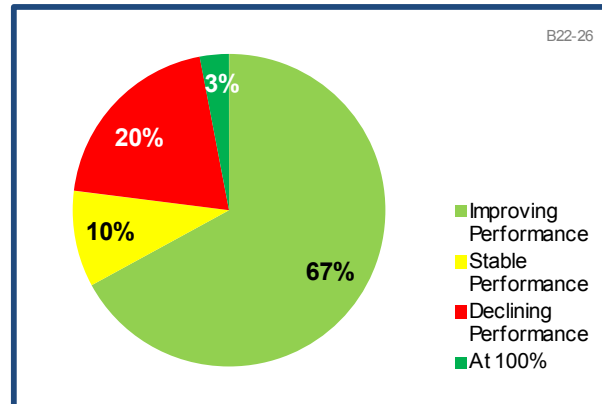


Thirteen percent (9 of 69) of FY 2012 performance results are excluded from DoD trend analysis since these results primarily reflect measures that did not exist in FY 2011. Based on the 60 measures that carried over from FY 2011, 3 percent of results (2 of 60) are already operating at optimum (100 percent) performance levels; 67 percent of results (40 of 60) reflect positive improvements in performance; and 10 percent of results (6 of 60) reflect stable performance trends, and 20 percent of results (12 of 60) reflect negative trends in declining performance, as depicted in Figure 8-10.

Overview – FY 2014 Defense Budget

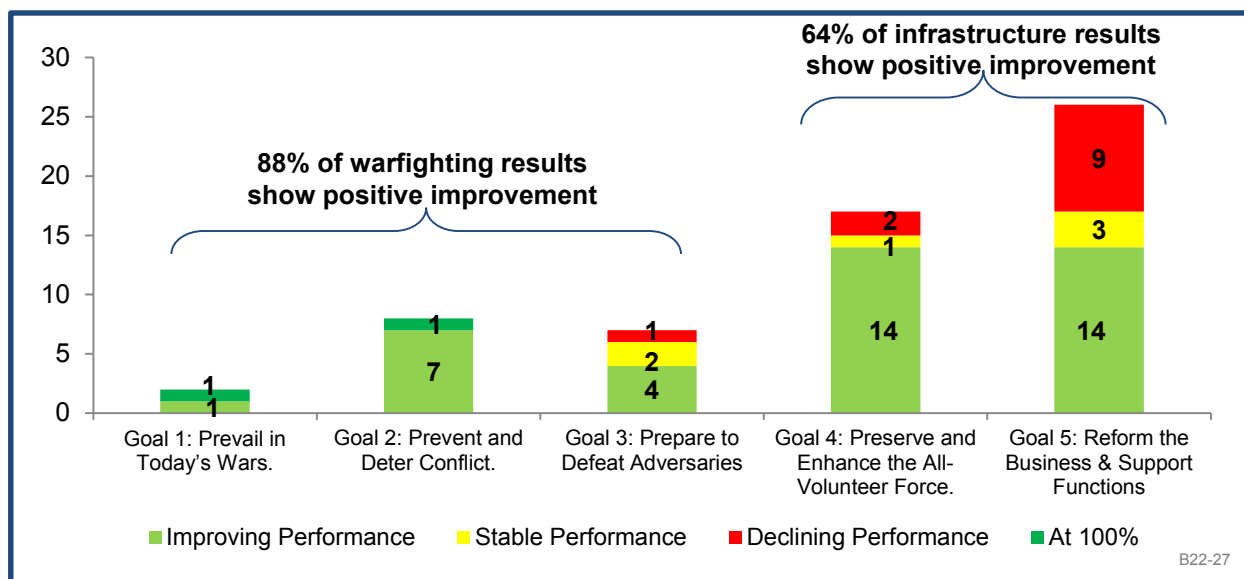
Compared to FY 2011, Figure 8-11 reflects FY 2012 performance trends by DoD strategic goal area. Eighty-eight percent (14 of 16) of warfighting results (primarily DoD strategic goals 1, 2, and 3) reflect positive improvements in performance or are already operating at optimum (100 percent) performance levels. In the infrastructure arena (primarily DoD strategic goals 4 and 5), 64 percent of results (28 of 44) reflect positive improvements; 11 percent of results (5 of 44) reflect stable performance, and 25 percent of results (11 of 44) reflect negative trends in declining performance.

Figure 8-10. DoD FY 2012 Summary Performance Trends



FY 2012 DoD Agency Priority Goal (APG) Results

Figure 8-11. DoD FY 2012 Performance Trends by Strategic Goal



Twelve (or 17 percent) of the FY 2012 Annual Performance Report (APR) includes results associated with five Agency Priority Goals, pursuant to the GPRA Modernization Act of 2010. The first APG, focused on wounded, ill, and injured care to Service members, reflects a core mission that is unique to the DoD. The second APG focuses on cyber security readiness in DoD military organizations. However, performance targets and results for this APG are considered sensitive and will not be made available to the public. The DoD's third APG on energy reflects an Administration priority by targeting the Defense Department as the single largest consumer of energy in the nation. The fourth and fifth APGs identify near-term improvement initiatives that will contribute to achieving longer-term Agency outcomes in two DoD-specific high risk areas identified by the General Accountability Office (GAO) – i.e., DoD Weapon Systems Acquisition and DoD Financial Management.

Overview – FY 2014 Defense Budget

- Agency Priority Goal 1: By September 30, 2013, the DoD will attain a passing score on a comprehensive cyber security inspection that assesses compliance with technical, operational, and physical security standards, on an overwhelming majority of inspected military cyberspace organizations resulting in improved hardening and cyber defense.
- Agency Priority Goal 2: By September 30, 2013, the DoD will improve the care and transition of Wounded, Ill and Injured (WII) Warriors by: (1) increasing the use of Recovery Care Coordinators and ensuring WII Service members have active recovery plans; (2) improving effectiveness of behavioral health programs and ensuring all Service members complete quality post-deployment health screenings; and (3) accelerating the transition of WII Service members into veteran status by reducing the disability evaluation processing time.
- Agency Priority Goal 3: By September 30, 2013, the DoD will: (1) improve its facility energy performance by reducing average building energy intensity by 24 percent from the 2003 baseline of 116,134 British Thermal Units (BTUs) per gross square foot, and producing or procuring renewable energy equal to 13 percent of its annual electric energy usage; and (2) improve its operational energy performance by establishing an operational energy baseline with all available data on fuel use; developing a plan for remediating data gaps; funding and implementing a comprehensive data plan; establishing and executing operational energy performance targets based on this comprehensive data for each Military Service and relevant agency.
- Agency Priority Goal 4: By September 30, 2013, the DoD will improve its acquisition process by ensuring that: 100 percent of Acquisition Category (ACAT) 1 programs, going through Milestone A decision reviews, will present an affordability analysis; 100 percent of ACAT 1 programs, going through milestone decision reviews, will present a competitive strategy; the average cycle time for Major Defense Acquisition Programs (MDAPs) will not increase by more than 5 percent from the Acquisition Program Baseline; the annual number of MDAP breaches – significant or critical cost overruns, for reasons other than approved changes in quantity – will be zero; and the DoD will increase the amount of contract obligations, that are competitively awarded, to 60 percent in FY 2012 and 61 percent in FY 2013.
- Agency Priority Goal 5: By September 30, 2013, the DoD will improve its audit readiness on the Statement of Budgetary Resources for Appropriations Received from 80 to 100 percent.

Based on the 12 APG performance results that are assessed, 33 percent of these (4 of 12) met or exceeded their annual performance goals; 67 percent (8 of 12) did not achieve their annual goals, as depicted in Figure 8-12.

Figure 8-13 reflects FY 2012 performance results by Agency Priority Goal. For FY 2012, the DoD met its cyber security and audit readiness goals. However, less success was achieved in the areas of Wounded Warrior care, energy performance, and acquisition reform, which are discussed in more detail at <http://www.performance.gov/> and under each DoD Strategic Objective area below.

Figure 8-12. FY 2012 APG Summary Performance Results

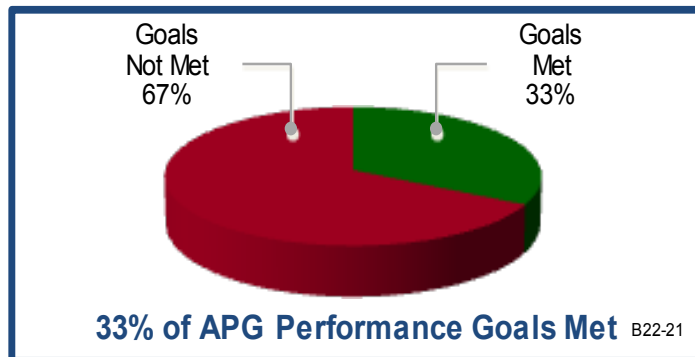
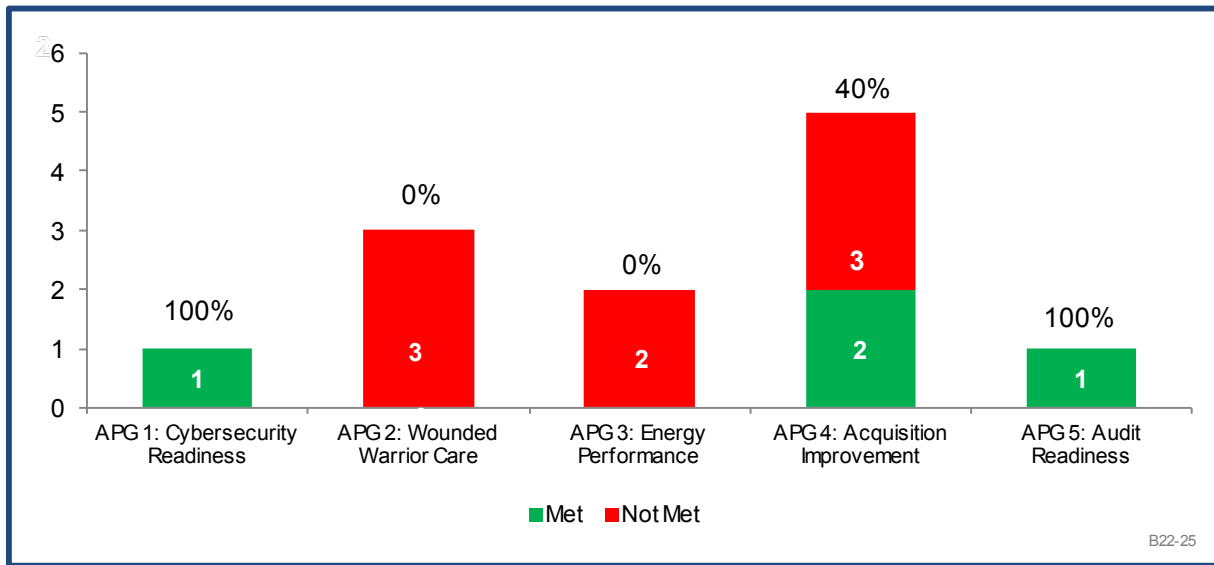


Figure 8-13. FY 2012 Performance Results by Agency Priority Goal



In addition to Agency Priority Goals (APGs), the GPRA Modernization Act also requires the identification of Cross-Agency Priority (CAP) Goals in areas where increased cross-agency coordination on outcome-focused areas is likely to improve progress. In accordance with the GPRA Modernization Act, interim CAP Goals were published concurrent with the FY 2013 President's Budget.

Per the GPRA Modernization Act requirement to address Cross-Agency Priority (CAP) Goals in the agency Strategic Plan, the Annual Performance Plan, and the Annual Performance Report, please refer to <http://www.performance.gov> for the Defense Department's contributions to those goals and progress, where applicable. The DoD currently contributes to the following CAP Goals:

- Entrepreneurship and Small Business;
- Veteran Career Readiness;
- Cybersecurity;
- Sustainability;
- Real Property;
- Improper Payments;
- Data Center Consolidation;
- Closing Skills Gaps; and
- Strategic Sourcing.

General Accountability Office (GAO) High Risk Results:

The GAO determines high risk areas across the government, based on two broad criteria:

- Vulnerability to fraud, waste, abuse, or mismanagement; and
- Changes required to address major economy, efficiency, or effectiveness challenges.

Biennial reports have been completed since 1990, with the details of the GAO's most recent update in February 2013, located at <http://www.gao.gov/products/GAO-13-283>. The Defense Department contributes to the following cross-agency areas on the GAO high risk list:

- Strategic Human Capital Management;
- Managing Federal Real Property;
- Establishing Effective Mechanisms for Sharing and Managing Terrorism-Related Information to Protect the Homeland;
- Protecting the Federal Government's Information Systems and the Nation's Cyber Critical Infrastructures;
- Ensuring the Effective Protection of Technologies Critical to U.S. National Security Interests; and
- Improving and Modernizing Federal Disability Programs.

In addition, the February 2013 update continues to cite the following seven DoD-specific functional areas as high risk:

- DoD Support Infrastructure Management (since 1997 with scope reduced in 2011);
- DoD Supply Chain Management (since 1990);
- DoD Contract Management (since 1992);
- DoD Weapon Systems Acquisition (since 1990);
- DoD Approach to Business Transformation (since 2005);
- DoD Business Systems Modernization (since 1995); and
- DoD Financial Management (since 1995).

All seven DoD-specific high risk areas reside under the Department's Strategic Goal #5 focused on reforming DoD business and support functions. There is a high correlation between the FY 2012 performance achieved under DoD's Strategic Goal #5, and the DoD-specific areas that continue to be identified by the GAO as high risk in their 2013 update.

DoD Major Management Challenges:

The Office of the Inspector General (IG) works to promote efficiency, effectiveness, and integrity in the programs and operations of the Department. The Department of Defense Agency Financial Report (AFR) for Fiscal Year (FY) 2012 includes a *Management's Discussion and Analyses* section on major challenges facing the Department. For FY 2012, the AFR summarizes what the DoD IG considers to be the most serious management and performance challenges, as listed below:

- Financial Management;
- Acquisition Processes and Contract Management;
- Joint Warfighting and Readiness;
- Information Assurance, Security, and Privacy;
- Health Care;
- Equipping and Training Iraq and Afghan Security Forces; and
- The Nuclear Enterprise.

Overview – FY 2014 Defense Budget

Detailed information regarding these challenges and the IG’s assessment of the Department’s progress, along with the Department’s management response, can be found at Addendum A to the report at <http://comptroller.defense.gov/>.

The following sections provide a more detailed discussion of FY 2012 performance results and trends, assessed by DoD strategic goal and strategic objective area. Exhibit A provides a summary listing of all performance results and trends for FY 2012 by DoD strategic goal and objective.

STRATEGIC GOAL 1 RESULTS: PREVAIL IN TODAY'S WARS.

Strategic Goal 1 accounts for three percent of the Department’s FY 2012 performance results (2 of 69). The Department met or exceeded 100 percent (2 of 2) of performance results for Strategic Goal 1. Results, by specific performance goal and each strategic objective area, are identified at Figure 8-14 and discussed in detail below.

Figure 8-14. DoD Strategic Goal 1 Results

STRATEGIC GOAL 1: PREVAIL IN TODAY'S WARS.					
Performance Measures	Annual Performance Goals/Results				
	FY 2011 Results	FY 2012 Goals	FY 2012 Results		
Strategic Objective 1.1-OCO: Degrade the Taliban to levels manageable by the Afghan National Security Force (ANSF), while increasing the size and capability of the ANSF.					
1.1.1-OCO: Percent of the Combatant Commanders' (CoComs) current operations which they report ready to execute	100%	100%	100%	↑↓	
1.1.2-OCO: Cumulative number of Afghan National Security Forces (ANSFs) end strength	306,903	352,000	352,000	↑	
Strategic Objective 1.2-OCO: Execute a responsible drawdown of the U.S. military presence in Iraq.					
Objective achieved in first quarter of FY 2012.					
			Met or Exceeded	Did Not Meet	Total
GOAL 1 – PREVAIL IN TODAY'S WARS.	2	100%	0	0%	2 100%
Performance Trend Legend:					
Optimum performance (100%): ↑↓			Stable performance: ↔		
Improving performance: ↑			Declining performance: ↓		

Strategic Objective 1.1-OCO: Degrade the Taliban to levels manageable by the Afghan National Security Force (ANSF), while increasing the size and capability of the ANSF.

Areas of significant improvement: Figure 8-14 indicates that the Department achieved both OCO-related performance goals for FY 2012. The ability to successfully execute current operations is a core competency of the Department. Throughout FY 2012, Combatant Commanders maintained optimum readiness levels in terms of current operations, and the Department continued to improve the size and capability of the Afghan forces.

The ANSF are the backbone of long-term security and stability plans for Afghanistan. During fiscal year 2012, the Afghan National Army (ANA) and Afghan National Police (ANP) continued their quantitative and qualitative progress, while improving operational effectiveness. Security progress and the development of the ANSF have enabled the security transition process to continue in accordance with Lisbon Summit commitments.

As of September 30, 2012, the ANSF met its goal of recruiting to a force of 352,000 soldiers and police. As the ANA and ANP have achieved growth goals, the ANSF and the North Atlantic Treaty Organization (NATO) Training Mission – Afghanistan (NTM-A) have shifted focus from force generation to training and development. Literacy training efforts have expanded, logistics and enabler capability have improved, and the ANSF's 12 branch schools provide higher-level training to promote self-sufficiency and long-term sustainability.

Force generation and development efforts continue to translate into operational effectiveness. During the reporting period, the ANSF made impressive strides in performance, demonstrating their effectiveness as they assumed the lead for security responsibility in transitioning areas in many parts of the country. Violence was down seven percent from January to November 2012 compared to the same period last year. The ANSF are now unilaterally conducting 80 percent of all operations. Additionally, the number of ANA and ANP units rated as "Independent with Advisors" increased substantially in 2012. The ANSF demonstrated their increased capability by planning and executing a number of large complex operations, including Operation Kalak Hode V in RC-S. This 11,000-person operation was principally planned, led, and manned by the ANSF. The operation, focused on disrupting the insurgency, involved coordination among the Afghan Army, Policy, Border Police, and National Directorate of Security.

Areas of challenge: While the ANSF achieved their surge end strength, the ANSF continues to address on-going challenges, including attrition, leadership shortfalls, and developing capabilities in staff planning, management, and logistics. The ANSF also have not fully developed enabling support, including air; logistics; intelligence, surveillance, and reconnaissance (ISR); and medical. They will require coalition resources to perform at the level necessary to produce the security effects required for transition. While polls show that the ANSF continues to rise in public esteem, corruption and the influence of criminal patronage networks remain a concern that could jeopardize the legitimacy of the ANSF and pose a threat to the transition process. The rise of insider threats and "green-on-blue" attacks also remains a challenge.

Mitigation strategies: The ISAF and the ANSF are implementing mitigation measures, such as additional ISAF force protection procedures and more thorough ANSF recruit vetting, to address insider threats.

Strategic Objective 1.2.OCO: Execute a responsible drawdown of the U.S. military presence in Iraq.

Thanks to the extraordinary sacrifices of our men and women in uniform, we have executed a responsible drawdown of U.S. military personnel in Iraq in accordance with the U.S.-Iraq Security Agreement. Years of effort have helped enable the Iraqi government to take the lead in protecting its people and providing essential services. While U.S. military personnel, under Chief of Mission authority, will continue to play an important role in expanding the security assistance and security cooperation relationship, no performance goals were established in the Department's Annual Performance Plan for this objective area in FY 2012 and beyond.

STRATEGIC GOAL 2 RESULTS: PREVENT AND DETER CONFLICT.

Strategic Goal 2 accounts for 13 percent of the Department's FY 2012 performance results (9 of 69). The Department met or exceeded 78 percent (7 of 9) of performance results for Strategic Goal 2. Results, by specific performance goal and each strategic objective area, are identified at Figure 8-15 and discussed in detail below.

Overview – FY 2014 Defense Budget

Figure 8-15. DoD Strategic Goal 2 Results

STRATEGIC GOAL 2: PREVENT AND DETER CONFLICT.							
Performance Measures	Annual Performance Goals/Results						
	FY 2011 Results	FY 2012 Goals	FY 2012 Results				
Strategic Objective 2. 1-12A: Extend a global posture to prevail across all domains by increasing capacity in general purpose forces and by enhancing stability operations and foreign security force competency.							
2.1.1-1F1: Percent of DoD Combatant Commanders (CoComs) that are ready to execute their Core or Theater Campaign Plan mission	100%	100%	100%				↑
2.1.2-1F1: Percent of DoD Combatant Commanders' (CoComs) Contingency Plans which they report ready to execute	85%	80%	91%				↑
2.1.3-1F1: Cumulative number of Army brigades converted to a modular design and available to meet military operational demands	71	69	69				↑
2.1.4-1F1: Cumulative number of Army Multi-functional and Functional Support (MFF) brigades converted to a modular design and available to meet military operational demands	225	227	228				↑
2.1.5-1F1: Cumulative number of ships in the fleet	284	289	287				↑
Strategic Objective 2. 2-1F2A: Maintain a safe, secure, and effective nuclear arsenal to deter attack on the U.S. and on our allies and partners.							
2.2.1-1F2A: Number of formal DoD-led meetings with international partners to reaffirm U.S. commitments to extended deterrence	11	6	17				↑
2.2.2-1F2A: Passing percentage rate for Defense Nuclear Surety Inspections (DNSIs)	85.7%	100%	100%				↑
Strategic Objective 2. 3-1F3: Strengthen cooperation with allies and partners to develop and field robust, pragmatic, and cost-effective missile defense capabilities.							
2.3.1-1F3: Cumulative number of large-surface DoD combatant ships that are Ballistic Missile Defense (BMD)-capable and ready for tasking	23	25 ^{1/}	25				↑
Strategic Objective 2. 4-1X2: Ensure sufficient Intelligence, Surveillance, and Reconnaissance (ISR) collection and analysis capacity for full spectrum operations and ensure resiliency of ISR operations.							
2.4.1-1X2: Cumulative number of Predator (MQ-1) and Reaper (MQ-9) aircraft intelligence, surveillance, and Reconnaissance (ISR) orbits	59	56	57 ^{2/}				
			Met or Exceeded	Did Not Meet	Total		
GOAL 2 – PREVENT AND DETER CONFLICT.	7	78%	2	22%	9	100%	
Footnotes:							
^{1/} The FY 2012 goal was revised downward, from 29 to 25, to measure the number of Navy ships (25) equipped with BMD capability and ready for tasking, versus measuring the number of ships funded by the Missile Defense Agency (29). This revised goal better supports the strategic objective (2.3-1F3) which is focused on fielded (vice funded) capability and ensures that DoD performance data is consistent with information published in the Navy's 30-year shipbuilding plan that was approved March 28, 2012.							
^{2/} Not counted in trend analyses since reduced performance level is necessary for reconstitution.							
Performance Trend Legend:							
Optimum performance (100%): ↑↓				Stable performance: ↔			
Improving performance: ↑				Declining performance: ↓			

Strategic Objective 2.1.1F1: Extend a global posture to prevail across all domains by increasing capacity in general purpose forces and enhancing stability operations and foreign security force competency.

Areas of significant improvement: Figure 8-15 indicates that the Department began revisiting and eliminating DoD force structure in FY 2012. Throughout FY 2012, all Combatant Commanders maintained their readiness posture, as established in Theater Campaign and

Overview – FY 2014 Defense Budget

Contingency Plans to ensure surge capability and effective mobilization. The Army completed the modular conversion on 228 of its 229 planned Multi-functional and Functional (MFF) brigades, with the final MFF brigade activation scheduled for the fourth quarter of FY 2013. Since the new strategic guidance prescribes a smaller and leaner force structure, Figure 8-14 also shows that the Army began eliminating the approved reduction of eight Brigade Combat Teams (BCTs) by FY 2017.

Areas of challenge: End strength reductions associated with potential force restructuring may change the number of Army BCTs from what had been previously validated.

Mitigation strategies: The Army is exploring redesign options for the BCTs to make them more capable and is continuing to assess the risk associated with a reduced end strength.

Strategic Objective 2.2.1F2A: Maintain a safe, secure, and effective nuclear arsenal to deter attack on the U.S. and on our allies and partners.

Areas of significant improvement: Figure 8-15 indicates that the Department has met and improved on two key performance goals in the area of nuclear deterrence for FY 2012.

As part of the Nuclear Posture Review (NPR) implementation, the United States has increased opportunity to engage allies in discussion and collaboration on strategic issues related to extended deterrence. The number of formal official meetings has doubled since release of the NPR report, and there is an ever increasing demand for additional meetings.

In addition, Defense Nuclear Surety Inspections (DNSI) first-time passing rates have consistently improved over the last four years and currently are achieving the desired goal of 100 percent first-time pass rate. This is a positive indication of sustained Services' excellence and senior leader focus on the nuclear enterprise.

Areas of challenge: The Department's nuclear arsenal continues to be safe, secure, and effective. However, the current assessment process does not allow the Department to measure the critical implementation tasks of the NPR. The results assessed (percent passing rate of first-time DNSIs) by themselves are insufficient to conclude a safe, secure and effective nuclear arsenal. Maintaining a 100 percent passing rate on first-time DNSIs is a worthy goal, but it could generate unrealistic expectations and a zero tolerance culture that is neither sustainable nor appropriate for achieving long term excellence in the nuclear enterprise. In addition, the number of meetings with allies is a poor indicator of the effectiveness of discussions on strategic issues and extended deterrence.

Mitigation strategies: The DoD submits numerous reports to the President and Congress on the safety, security, and effectiveness of the U.S. nuclear deterrent. These reports provide greater detail and fidelity on the sustainment and modernization of the nuclear deterrent. In addition, the Defense Threat Reduction Agency (DTRA) and Service inspection teams conduct frequent assessments of the surety of weapons in DoD custody, which contribute to the security, safety, and reliability of nuclear weapons while in DoD custody.

Strategic Objective 2.3.1F3: Strengthen cooperation with allies and partners to develop and field robust, pragmatic, and cost-effective missile defense capabilities.

Areas of significant improvement: Overall, the DoD has achieved significant success in implementing the goals of the February 2010 Ballistic Missile Defense (BMD) Review, as well as the associated regional objectives involving BMD with allies in Europe (North Atlantic Treaty Organization), the Middle East (Gulf Cooperation Council and Israel), and the Asia-Pacific region (primarily Japan, South Korea, and Australia). While the Department fielded four less

Overview – FY 2014 Defense Budget

Aegis BMD-capable ship in FY 2012 than planned, the Department has achieved considerable success overall in fielding cost-effective missile defense capabilities to-date.

For homeland defense, the Department completed construction of the recently activated 14-silo Missile Field-2 at Fort Greely, Alaska to support Ground-based Midcourse Defense and continued aggressive component testing and refurbishment of currently deployed Ground Based Interceptors to improve reliability. The DoD also completed the initial 48 interceptors for the two fielded Terminal High Altitude Area Defense batteries. To meet its commitment to protect European North Atlantic Treaty Organization (NATO) allies against a growing ballistic missile threat, the United States completed Phase 1 deployment of the European Phased Adaptive Approach, consisting of a command and control, battle management system in Germany, forward-based radar in Turkey, and an Aegis BMD ship in the Eastern Mediterranean Sea. The Department also deployed a forward-based radar to the U.S. Central Command Area of Responsibility.

Areas of challenge: Budgetary uncertainties could affect the pace of missile defense acquisition and fielding. The DoD budget could be reduced significantly should cuts mandated by sequestration take effect. Should this occur, the nature and scope of the reductions to the missile defense program remain to be seen, but will likely affect ongoing efforts to field regional missile defense capabilities, including Aegis BMD-capable ships.

Mitigation strategies: The Department will work within budgetary limitations to develop and field robust, pragmatic, and cost-effective missile defense capabilities. We will evaluate the scope and nature of the reductions, if any, and decide where reductions and efficiencies can be taken with the least impact to the level of protection provided to the warfighters.

Strategic Objective 2.4.1X2: Ensure sufficient Intelligence, Surveillance, and Reconnaissance (ISR) collection and analysis capacity for full spectrum operations and ensure resiliency of ISR operations.

Areas of significant improvement: Figure 8-15 indicates that the Department met its ISR goal for FY 2012. While the FY 2012 performance result (57 orbits or Combat Air Patrols (CAPs)) is below the level achieved in FY 2011 (59 CAPs), this reduction does not reflect a negative trend since it was specifically approved by the Secretary of Defense and is necessary to reconstitute MQ-1 Predator and MQ-9 Reaper CAPs, due to surge operations. The Air Force is continuing to make progress in balancing crew levels for combat operations and training. This is key for resuming the planned build to 65 CAPs by May 2014. Improvements include greatly expanded Remotely Piloted Aircraft (RPA) pilot and sensor operator crew force, normalized crew ratios, and staff assignment opportunities to enhance career development for RPA crew members. Reconstitution is also enabling a limited number of pilots to return to their original major weapon systems.

Areas of challenge: At this time, the Department does not foresee any challenges to continuing growth to 65 CAPs by May 2014.

Mitigation strategies: Reconstitution ended in November 2012.

STRATEGIC GOAL 3 RESULTS: PREPARE TO DEFEAT ADVERSARIES AND SUCCEED IN A WIDE RANGE OF CONTINGENCIES.

Strategic Goal 3 accounts for 13 percent of the Department's FY 2012 performance results (9 of 69). The Department met or exceeded 100 percent (9 of 9) of performance results for Strategic Goal 3. Results, by specific performance goal and each strategic objective area, are identified at Figure 8-16 and discussed in detail below.

Overview – FY 2014 Defense Budget

Figure 8-16. DoD Strategic Goal 3 Results

STRATEGIC GOAL 3: PREPARE TO DEFEAT ADVERSARIES AND SUCCEED IN A WIDE RANGE OF CONTINGENCIES.						
Performance Measures	Annual Performance Goals/Results					
	FY 2011 Results		FY 2012 Goals		FY 2012 Results	
Strategic Objective 3.1F2: Improve the responsiveness and flexibility of consequence management response forces.						
3.1.1-1F2: Cumulative number of Homeland Response Forces (HRFs) trained, equipped, evaluated, and validated at a reduced response time of 6 – 12 hours.	2		10		10	↑
3.1.2-1F2: Cumulative number of Chemical, Biological, radiological, Nuclear and High-Yield Explosives Enhanced Response Force Packages (CERFPs) trained, equipped, evaluated, and validated at a response time of 6-12 hours	17		17		17	↔
3.1.3-1F2: Number of Defense CBRNE Response Forces (DCRFs) trained, equipped, evaluated, and certified at a response time of 24-48 hours.	Non-applicable		1		1	
3.1.4-1F2: Number of Command and Control (C2) CBRNE Response Elements (C2CREs) trained, equipped, evaluated, and validated at a response time of 6-12 hours	Non-applicable		2		2	
Strategic Objective 3.2-1F2C: Enhance capacity to locate, secure, or neutralize weapons of mass destruction, key materials, and related facilities						
3.2.1-1F2C: Cumulative percent of treaty-declared category 1 chemical weapons destroyed	89.1%		89.8%		89.8%	↑
3.2.2-1F2C: Cumulative number of labs working with dangerous pathogens at risk for exploitation	37		39		44	↑
Strategic Objective 3.3-1F2C: Enhance U.S. capabilities to train, advise, and assist foreign security forces and their sustaining institutions to operate with or in lieu of U.S. forces.						
New measures effective FY 2013.						
Strategic Objective 3.4-1X1: Expand capacity to succeed against adversary states armed with anti-access capabilities and/or nuclear weapons and improve capabilities to conduct effective operations in cyberspace and space. <i>*Agency Priority Goal 1: By September 30, 2013, the DoD will attain a passing score on a comprehensive cyber security inspection that assesses compliance with technical, operational, and physical security standards, on an overwhelming majority of inspected military cyberspace organizations resulting in improved hardening and cyber defense.</i>						
3.4.1-1X1: Percent of DoD's nuclear command, control, and communications (NC2) cryptographic modernization plan completed	12%		32%		32%	↑
*3.4.2-1X1: Percent of inspected DoD cyberspace organizations that attain a passing grade (score of xx percent or better) on a Command Cyber Readiness Inspection (CCRI)	Sensitive ^{1/}		Sensitive ^{1/}		Met ^{1/}	↓
Strategic Objective 3.5-2D: Maintain a strong technical foundation within the Department's Science and Technology (S&T) program.						
3.5.1-2D : Percent of completing demonstration programs transitioning each year	83%		30%		83%	↔
	Met or Exceeded		Did Not Meet		Total	
GOAL 3 – PREPARE TO DEFEAT ADVERSARIES AND SUCCEED IN A WIDE RANGE OF CONTINGENCIES.	9	100%	0	0%	9	100%
Footnotes:						
^{1/} Specific goals and results associated with cyber readiness are not reflected in this assessment since these are considered sensitive.						
*Reflects FY 2012-2013 Agency Priority Goal (APG).						
Performance Trend Legend:						
Optimum performance (100%): ↔			Stable performance: ↔			
Improving performance: ↑			Declining performance: ↓			

Strategic Objective 3.1.1F2B: Improve the responsiveness and flexibility of consequence management response forces.

Areas of significant improvement: Four performance goals are key indicators for improving the responsiveness of consequence management response forces in FY 2012. Two performance goals carry over from FY 2011 and are focused on certifying Homeland Response Forces (HRFs) and Chemical, Biological, Radiological, and Nuclear Enhanced Response Force Packages (CERFPs) at a response time of 6-12 hours.

HRFs are operationally focused on one of the ten Federal Emergency Management Agency (FEMA) regions and sourced by either a single state or a collection of states in that region. HRFs, under control of the state governors, deploy in 6-12 hours with life-saving capabilities (emergency medical, search and extraction, decontamination, security, and command and control) supporting the needs of civilian agencies in response to chemical, biological, radiological, or nuclear incidents. By the end of the fourth quarter, the DoD had certified 10 of 10 HRFs projected for FY 2012, including those hosted by Utah and Massachusetts.

In addition, the Department continues to maintain an inventory of 17 CERFPs. The 17 CERFPs are operationally focused in the ten FEMA regions and sourced by either a single state or a collection of states in that region. There is at least one CERFP per FEMA region with multiple CERFPs in FEMA regions with the highest population concentration. CERFPs, under control of the state governors, deploy in 6-12 hours with life-saving capabilities (emergency medical, search and extraction, and decontamination) supporting the needs of civilian agencies in response to chemical, biological, radiological, or nuclear incidents.

However, the HRFs and CERFPs represent only two elements of the greater restructured Chemical, Biological, Radiological, and Nuclear (CBRN) Response Enterprise (CBRNE). During FY 2012, the Department maintained a new Defense Chemical, Biological, Radiological, and Nuclear Response Force (DCRF) that was created at the end of FY 2011 and nationally-focused and sourced from Active and Reserve component forces throughout CONUS. The DCRF, under control of the U.S. Northern Command, deploys in 24-48 hours with command and control and extensive life-saving (emergency medical, search and extraction, and decontamination) and logistics and sustainment capabilities supporting the needs of civilian agencies in response to chemical, biological, radiological, or nuclear incidents.

In addition, the Department certified the second of two Command and Control (C2) CBRNE Response Element (C2CRE) in the fourth quarter of FY 2012. The C2CREs are nationally-focused and sourced from Active and Reserve component forces throughout the continental United States. C2CREs, under control of US Northern Command, deploy in 96-hours or less with command and control and limited life-saving capabilities (emergency medical, search and extraction, and decontamination). The C2CREs are designed to provide command and control (C2) for follow-on, contingency sourced specialized and general purpose supporting the needs of civilian agencies in response to chemical, biological, radiological, or nuclear incidents.

Areas of challenge: Oversight of the certification of the CBRNE elements has been a significant accomplishment. Implementation has been challenging due to the high dependency on partnerships and collaboration with other Federal departments and agencies and the HRF Host States. Future challenges include keeping the CBRN Enterprise intact in the challenging fiscal environment and progressing on developing an integrated Enterprise planning architecture and other detailed implementation tasks related to process and procedures rather than fielding of capabilities.

Mitigation strategies: The Department participates in a number of forums, including the National Security Staff-facilitated interagency policy committee, which are designed to increase

Overview – FY 2014 Defense Budget

collaboration and establish coordination procedures within the Executive Branch. Department and state collaboration is enhanced by the President-directed Council of Governors and at an operational level, by the liaison of active duty and National Guard military members assigned to regional and state operations centers during a crisis.

Strategic Objective 3.2.1F2C: Enhance capacity to locate, secure, or neutralize weapons of mass destruction (WMD), key materials, and related facilities.

Areas of significant improvement: Figure 8-16 indicates that the Department continues to show progress in achieving its annual goals for destroying treaty-declared category 1 chemical weapons. In addition, the DoD is ahead of schedule in constructing overseas zonal diagnostic labs that are designed for working with dangerous pathogens at risk of exploitation.

By January 2012, the Army-managed portion of the Chemical Demilitarization Program (U.S. Army Chemical Materials Agency (CMA)), which started destruction operations in 1990, completed the destruction of approximately 90 percent of the U.S. chemical weapons stockpiles at seven sites.

Areas of challenge: In March 2012, the new Acquisition Program Baseline for the life cycle cost and schedule estimates were approved by the Under Secretary of Defense (USD) for Acquisition, Technology and Logistics (AT&L) for the restructured Assembled Chemical Weapons Alternatives (ACWA) program. This is the only document which identifies the approved chemical weapons destruction schedule.

Mitigation strategies: The DoD-managed portion of the Chemical Demilitarization Program will destroy the remaining 10 percent of the U.S. stockpile. The ACWA is currently in the construction phase and is expected to resume chemical weapons destruction at the Colorado facility in December 2015 and at the Kentucky facility in April 2020. Destruction of the remaining U.S. chemical weapons stockpile is expected when the Kentucky site completes destruction in September 2023.

Strategic Objective 3.3.1F2C: Enhance U.S. capabilities to train, advise, and assist foreign security forces and their sustaining institutions to operate with or in lieu of U.S. forces.

No performance goals were established for this strategic objective area in FY 2012. However, building partnership capacity globally remains important for sharing the costs and responsibilities of global leadership. Across the globe, we seek to be the security partner of choice, pursuing new partnerships with a growing number of nations whose interests and viewpoints are merging into a common vision of freedom, stability, and prosperity. One of the ways is by helping partner-nations build effective, transparent, and accountable defense institutions. Therefore, DoD's FY 2013 Annual Performance Plan includes three performance goals focused on enhancing general purpose forces training in specialized security force assistance, on increasing the number of civilian expeditionary advisors, and on expanding the Defense Institution Reform Initiative (DIRI) and the Ministry of Defense Advisors (MoDA) program. The DIRI, like the MoDA, is a global security cooperation initiative to support institutional capacity building of partner defense ministries. Both programs are being expanded to other critical theaters based on their success in Afghanistan and in the case of DIRI, success in other countries.

Strategic Objective 3.4.1X1: Expand capacity to succeed against adversary states armed with advanced anti-access capabilities and/or nuclear weapons and improve capabilities to conduct effective operations in cyberspace and space.

**Agency Priority Goal 1: By September 30, 2013, the DoD will attain a passing score on a comprehensive cyber security inspection that assesses compliance with technical, operational, and physical security standards, on an overwhelming majority of inspected military cyberspace organizations resulting in improved hardening and cyber defense.*

Areas of significant improvement: The specific goals and results associated with cyber readiness are not reflected in this assessment since these are considered sensitive. However, the Department met its Agency Priority Goal in the area of cyber readiness and fully executed its nuclear command, control, and communications (NC3) cryptographic modernization plan for FY 2012.

Areas of challenge: The Department's cyber readiness posture for FY 2012 ran slightly below the level achieved in FY 2011. The DoD changed the cyber readiness scoring criteria in May 2011 to make the inspection more rigorous, which has caused individual inspection scores to drop. However, this did not directly affect the overall passing rate. In addition, the DoD expanded the number of units inspected, which may have skewed trending but helped to address the DoD's cyber security posture more broadly. Finally, Cyber Command occasionally orders cyber security inspections of problematic organizations to identify the scope of particular problems. These units almost always fail the inspection. Adding failing scores to a fairly small sample size can have an adverse impact on the result, but assists in improving DoD's overall cyber security posture.

Mitigation strategies: The Department is currently performing analysis on the small fluctuation in results that occurred for FY 2012 and is coordinating with DoD components to mitigate any issues that may risk achievement of performance goals in the future.

Strategic Objective 3.5.2D: Maintain a strong technical foundation within the Department's Science and Technology (S&T) program.

The Department's Strategic Plan calls for maintaining the Department's technological edge via its science and technology (S&T) investments. The Department was tremendously successful in FY 2012 by transitioning 83 percent of its S&T demonstration projects into warfighter applications. Of particular note, are the following projects:

- Rapid Reaction Tunnel Detection (R2TD) Joint Capability Technology Demonstration (JCTD) – provides a capability to persistently detect sub-surface structures, detect and characterize use of the structures, and provide near-real-time alerts to operators over large land areas. During Operation Iraqi Freedom, R2TD capability was used to discover underground tunnels used by al-Qaida to store weapons, hide fighters and launch attacks against U.S. forces. Further, R2TD satisfied an Operational Need Statement (ONS) in Afghanistan for theater internment facilities where prisoners were tunneling out using crude implements and, as a result of the Afghanistan prison break, USCENTCOM issued a Joint Urgent Operation Need Statement for tunnel detection. R2TD made an initial shipment of residual equipment to provide an immediate capability. R2TD remains employed in support of Operation Enduring Freedom. Additionally, an initial instantiation of the R2TD system was sold to Egypt for tunnel detection and approximately 30 tunnels were successfully found. R2TD was used by the Department of Homeland Security and Customs and Border Protection, along the United States (U.S.) southwest border, to discover seven tunnels, which resulted in the seizure of 17½ tons of marijuana (valued at \$28 million).

- Riverine and Inter-coastal Operations (RIO) (JCTD) – provides situational awareness for U.S. and coalition riverine operations. The final technical demonstration was conducted in the second quarter of FY 2012 in Belize for Colombia, Belize, Mexico and U.S. operators. The Belize Deputy Chief of Mission (DCM) said that RIO “...is a good example of shared opportunities (between the U.S. and international partners) to deal with significant regional challenges. In addition to operational and technical success, RIO resulted in the first-ever Master Information Exchange Agreement (MIEA) and Information Exchange Agreement (IEA) between the U.S. and Colombia. The U.S. Navy has begun transition of RIO technology for operational use. Procurement of RIO kits began in FY 2012 and additional RIO kits have been requested by multiple Combatant Commanders for operational use FY 2013. Also, Colombia and Mexico have expressed significant interest in the RIO capability suite, and Department of State has approved a Direct Commercial Sales process with both countries.
- Fire Resistant Ghillie Suit and Accessory Kit (Foreign Comparative Testing Project) – provides surveillance units and snipers with the latest enhancements in flame resistant textiles and flame resistant adhesives to significantly increase flash flame protection, abrasion resistance, and concealment. Flame Resistant Base Layer and various camouflage multi-functional materials are used to construct, repair, and modify Ghillie Suits to meet unique mission and climatic requirements. This project was a direct result of the loss of the lives of two snipers whose suits caught fire while executing a mission.
- Improved Viper Strike Precision Guide Munition (Foreign Comparative Testing Project) – is a glide munition capable of precisely hitting targets from extended stand-off ranges, using GPS-aided navigation and an end-game, semi-active laser seeker. Its small, 44-lb., highly agile airframe and quiet attack profile provides a covert launch and low, collateral damage effects against stationary and high speed moving targets. Using Viper Strike’s new fast-attack software, the weapon has proven it can be quickly employed against moving targets by both air and ground-designated targets.
- Automated Liquid Handling for DNA Sample Processing (Biometrics S&T Project) – eliminates the need for hand labeling and manual pipetting of DNA samples in the lab. Due to this new system and software, lab technicians have already experienced two to three times more extracted DNA from swabs over conventional techniques.
- Low Altitude Air Defense (LAAD) Integrated Picture (Quick reactions Special Project) – provides a software solution to integrate air tracks from Link -16 with ground tracks from Blue Force Tracker (BFT) inside the LAAD Section Leader Vehicle. This integrated picture reduces the risk of fratricide, reduces hardware required inside Fire Unit Vehicles (FUV), and obviates the need to install BFT equipment inside FUVs. The software solution was successfully demonstrated in August 2012 and is transitioning to Program Executive Office Land Systems in FY 2013.

STRATEGIC GOAL 4 RESULTS: PRESERVE AND ENHANCE THE ALL-VOLUNTEER FORCE.

Strategic Goal 4 accounts for 29 percent of the Department’s FY 2012 performance results (20 of 69). The Department met or exceeded 75 percent (15 of 20) of performance results for Strategic Goal 4. Results, by specific performance goal and each strategic objective area, are identified at Figure 8-17 and discussed in detail below.

Figure 8-17. DoD Strategic Goal 4 Results

STRATEGIC GOAL 4: PRESERVE AND ENHANCE THE ALL-VOLUNTEER FORCE.			
Performance Measures	Annual Performance Goals/Results		
	FY 2011 Results	FY 2012 Goals	FY 2012 Results
Strategic Objective 4.1-2M: Provide top-quality physical and psychological care to wounded warriors, while reducing growth in overall healthcare costs.			
<i>* Agency Priority Goal 2: By September 30, 2013, the DoD will improve the care and transition of Wounded, Ill and Injured (WII) Warriors by: 1) increasing the use of Recovery Care Coordinators and ensuring WII Service members have active recovery plans; 2) improving effectiveness of behavioral health programs and ensuring all Service members complete quality post-deployment health screenings; and 3) accelerating the transition of WII Service members into veteran status by reducing the disability evaluation processing time.</i>			
4.1.1-2M: Average percent variance in Defense Health Program annual cost per equivalent life increase compared to average civilian sector increase	1.4%	0%	-6.4% ↑
4.1.2-2M: Percentage of Armed Forces who meet Individual Medical Readiness (IMR) requirements	78%	82%	84% ↑
*4.1.3-2M: Percent of Service members who are processed through the single Integrated Disability Evaluation System (IDES) within 295 days (Active) and 305 days (Reserve) components	Non-applicable	60%	24%
*4.1.4-2M: Percent of wounded, ill and injured Service members who are enrolled in a Service recovery coordination program and have an established and active recovery plan administered by a DoD trained Recovery Care Coordinator	Non-applicable	100%	68%
*4.1.5-2M: Percent of wounded, ill and injured who are assigned to a DoD trained Recovery Care Coordinator within 30 days of being enrolled in a Wounded Warrior Program	Not available	100%	70%
Strategic Objective 4.2-2P: Ensure the Department has the right workforce size and mix, manage the deployment tempo with greater predictability, and ensure the long-term viability of the Reserve Component.			
4.2.1-2P: Percent variance in Active component end strength	-0.5%	3%	-1.6% ↑
4.2.2-2P: Percent variance in Reserve component end strength	0.2%	3%	-0.8% ↑
4.2.3-2P: Percentage of the Department's active duty Army who meet the planning objectives for time deployed in support of combat operations versus time at home	85.7%	80%	91% ↑
4.2.4-2P: Percentage of the Department's active duty Navy who meet the planning objectives for time deployed in support of combat operations versus time at home	95.6%	95%	95% ↓
4.2.5-2P: Percentage of the Department's active duty Marines who meet the planning objectives for time deployed in support of combat operations versus time at home	94%	95%	96% ↑
4.2.6-2P: Percentage of the Department's active duty Air Force who meet the planning objectives for time deployed in support of combat operations versus time at home	97.3%	95%	98% ↑
4.2.7-2P: Percentage of Reserve Component (RC) Service members mobilized in the evaluation period that have dwell ratios greater than or equal to 1:5	71.8%	71%	72.7% ↑
4.2.8-2P: Number of days for external civilian hiring (end-to-end timeline)	104	80	83 ↑
Strategic Objective 4.3-2R: Better prepare and support families during the stress of multiple deployments.			
4.3.1-2R: Percent of worldwide government-owned Family Housing inventory at good or fair (Q1- Q2) condition	80	81%	81.5% ↑

Overview – FY 2014 Defense Budget

STRATEGIC GOAL 4: PRESERVE AND ENHANCE THE ALL-VOLUNTEER FORCE.						
Performance Measures	Annual Performance Goals/Results					
	FY 2011 Results		FY 2012 Goals		FY 2012 Results	
4.3.2-2R: Percent of the world-wide inventory for government-owned permanent party unaccompanied housing in the United States at good or fair (Q1 – Q2) condition	82%		85%		85% ↑	
4.3.3-2R: Cumulative number of Department of Defense Education Activity (DoDEA) schools that meet good or fair (Q1-Q2) standards	33%		35%		38% ↑	
Strategic Objective 4. 4-2T: Train the total Defense Workforce with the right competencies.						
4.4.1-2T: Percent of acquisition positions filled with personnel meeting Levels II and III certification requirements	62%		62.1%		70.1% ↑	
4.4.2-2T: Percentage of Defense Language Institute (DLI) Foreign Language Center students who achieve a 2/2/1+ Defense Language Proficiency Test (DLPT) score in reading, listening, and speaking modalities	77.4%		80%		77% ↓	
4.4.3-2T: Percent of information assurance positions and contract requirements filled with personnel meeting certification requirements	Not available		70%		78%	
4.4.4-2T: Percent of eligible DoD adjudicators that are certified	23%		90%		97.7% ↑	
	Met or Exceeded		Did Not Meet		Total	
GOAL 4 – PRESERVE AND ENHANCE THE ALL-VOLUNTEER FORCE	15	75%	5	25%	20	100%
<i>*Reflects FY 2012-2013 Agency Priority Goal.</i>						
Performance Trend Legend:						
Optimum performance (100%): ↑			Stable performance: ↔			
Improving perform ↑			Declining performance: ↓			

Strategic Objective 4.1.2M: Provide top-quality physical and psychological care to wounded warriors, while reducing growth in overall healthcare costs.

**Agency Priority Goal 2: By September 30, 2013, the DoD will improve the care and transition of Wounded, Ill and Injured (WII) Warriors by: 1) increasing the use of Recovery Care Coordinators and ensuring WII Service members have active recovery plans; 2) improving effectiveness of behavioral health programs and ensuring all Service members complete quality post-deployment health screenings; and 3) accelerating the transition of WII Service members into veteran status by reducing the disability evaluation processing time.*

Areas of significant improvement: Figure 8-17 reflects Individual Medical Readiness (IMR) results, for both Active and Reserve members combined, surpassed the FY 2012 goal of 80 percent. This represents a six percent increase when compared to FY 2011.

In the area of military health care costs, outpatient prospective payment systems continue to provide pricing reductions for private sector care as these are phased into full implementation. Pharmacy rebates provide reductions in retail pharmacy which is the highest cost pharmacy venue.

Areas of challenge: Some progress has been made with Integrated Disability Evaluation System (IDES) processing time and in Wounded, Ill and Injured (WII) care. However, these programs fell significantly short of achieving DoD performance goals in FY 2012.

Conversion to the IDES, the Department's joint evaluation process with the Veteran Affairs (VA), was completed in September FY 2011. The main objectives of the IDES are to provide faster

Overview – FY 2014 Defense Budget

disability determination, greater transparency, and reduced time between DoD separation and receipt of VA benefits. At the end of FY 2012, 24 percent of Service members were processed through the IDES within 295 days (Active) and 305 days (Reserve) components, falling short of the 60 percent goal. Slow execution of Army Medical Evaluation Boards (MEBs) are the primary reason the overall IDES goal was not achieved. Approximately 93 percent of overdue MEB cases are Army Soldiers and Army MEBs were averaging 94 days at the end of FY 2012 against a 35-day sub-goal.

While the Department did not meet its goals in the area of Recovery Care, the DoD did continue to make progress throughout FY 2012 by increasing the percentages of WII Service members that were assigned Recovery Care Coordinators (RCCs) and had active recovery plans. RCCs help Service members and families identify and address their non-medical needs during their recovery, rehabilitation and reintegration to civilian life or return to military duty. RCCs create a comprehensive recovery plan that connects Service members and their families to transportation, housing, employment, child care, financial and legal assistance resources. By the fourth quarter of FY 2012, 100 percent of WII Service members had been assigned RCCs and 99 percent of these had active recovery plans in place.

Currency of Periodic Health Assessments (PHA) and dental shortfalls continue to challenge the Department's ability to meet IMR goals in the RC.

Outpatient prospective payment systems and rebates provide short term pricing decreases, but once fully phased in, pricing will become stable and utilization will again become a cost driver.

Mitigation strategies: Medical and dental readiness remain a high priority since it contributes to overall Departmental readiness goals. Active duty health care utilization continues at a high rate due to war-related care. The Military Health System continues expansion of Patient Centered Medical Home (PCMH). PCMH is a practice model where a team of health professionals, coordinated by a personal physician, works collaboratively to provide high levels of care, access and communication, care coordination and integration, and care quality and safety. Care delivered in a PCMH has been associated with better outcomes, reduced mortality, fewer preventable hospital admissions for patients with chronic diseases, lower overall utilization, improved patient compliance with recommended care, and lower spending.

The DoD has allocated funding to add over 800 IDES staff positions to improve IDES performance and timeliness. An inter-disciplinary IDES Task Force was established to develop and present recommendations to increase performance in FY 2013. To improve timeliness, the DoD and VA will be executing a three-pronged campaign plan emphasizing (1) resourcing, (2) leadership, and (3) regular execution reviews to reduce disability evaluation processing time by September 30, 2013. More detailed information on the Department's Wounded, Ill and Injured Agency Priority Goal can be found at <http://www.performance.gov/>.

Strategic Objective 4.2.2P: Ensure the Department has the right workforce size and mix, manage the deployment tempo with greater predictability, and ensure the long-term viability of the Reserve Component.

Areas of significant improvement: Figure 8-17 indicates that the Department met and shows improvement in all eight of its force management-related performance goals. The Services continue to meet recruiting and retention goals, and Service member quality goals. The percentage of AC Soldiers who meet the deployment to dwell ratio (1:2) for the Army has made significant progress from 86 percent at the end of FY 2011 to 91 percent at the end of FY 2012. In addition, the percentage of AC Navy, Marine Corps and Air Force personnel, who meet the 1:2 goal, is at or above 95 percent. The percentage of RC Service members who meet the

Overview – FY 2014 Defense Budget

1:5 goal for time mobilized has shown some fluctuation, but has improved by approximately one percent (from 71.8 to 72.7 percent) between FY 2011 and FY 2012.

The length of time for civilian hiring has also shown some fluctuation, which may be attributed to seasonality, but made progress over FY 2011. The Department met its goal of 80 days for external hires for the first three quarters of FY 2012 but ended the year slightly higher than the annual goal. The use of the automated USA Staffing application has improved the Department's hiring timeliness and enabled human resource professionals to manage the end-to-end process more effectively.

Areas of challenge: Meeting end strength with an all-volunteer force will continue to challenge the Department. The Department must continue to carefully plan and manage personnel and units to keep our commitment to our Service men and women with service obligations and deployment planning objectives. Our ability to keep these commitments depends upon predictability in force deployment plans.

Although the DoD has been successful in meeting the milestones and objectives set forth in the civilian hiring action plan, there are several remaining challenges that need to be addressed. System-related changes make it easier to identify the specific areas needing improvement. Coordinated efforts between the data analysts and human resource specialists continue to have the most significant impact on hiring reform across the Department. While enhancements to USA Staffing and technologies have improved key processes and enabled the DoD's swift adoption of hiring reform mandates, continued attention to these mission-critical systems will be key in ensuring these efforts are sustainable.

Mitigation strategies: The Department must continue to aggressively recruit and retain Service members of the requisite quality. Strategies and deployment schedules must be closely monitored and adjusted to meet both operational requirements and maintain faith with our Service members for mobilization and deployments.

Training, outreach, and collaboration are the key focus areas for continued success with expeditious and efficient civilian hiring. The DoD is committed to successful delivery of enhancements to key systems; increased reliability and ease-of-use for job seekers and system administrators. Additionally, efforts are underway to identify and obtain appropriate hiring authorities and remove barriers to efficient hiring of quality candidates.

Strategic Objective 4.3.2R: Better prepare and support families during the stress of multiple deployments.

Areas of significant improvement: The quality of family and unaccompanied housing has progressively improved since FY 2011.

Areas of challenge: The Department continues to meet its obligation to provide a quality education for Active Component military families' elementary and high school education. The percentage of DoDEA school facilities meeting the acceptable DoD condition rating was above target at the end of FY 2012. Services' end-state force structure and basing locations make it difficult to identify long range community needs upon which to base schools requirements. Any reductions in military construction (MILCON) funding will delay progress and result in school facilities not meeting quality standards. School facility construction and renovation is typically scheduled for the fourth quarter of the fiscal year to avoid interference with the school year.

Mitigation strategies: The DoDEA will continue to work closely with the Services to ensure the MILCON program is supportive of and appropriately aligned to force structure changes. The DoDEA currently has 49 MILCON projects in design and 8 projects under construction. The DoDEA remains on schedule to ensure all schools meet DoD condition standards by FY 2018.

Strategic Objective 4.4.2T: Train the Total Defense Workforce with the right competencies.

Areas of significant improvement: Figure 8-17 identifies four primary goals that are directed at improving workforce competency, in the areas of the Department's acquisition workforce, DoD personnel security adjudicators, language proficiency, and information assurance.

A highly qualified workforce is a critical element for achieving and improving acquisition outcome success. Certification standards drive workforce quality. A key quality objective is ensuring that acquisition workforce members meet position certification requirements. Certification requirements are comprised of training, education, and experience standards which are established by level for each acquisition functional category. The Department exceeded its FY 2012 annual goals governing DoD acquisition professionals and personnel security adjudicators and shows significant improvement in both these categories from prior year levels.

The Department exceeded its annual goal to certify 90 percent of adjudicators by FY 2012 by achieving 97.7 percent Adjudicator Professional Certification (APC) by the end of FY 2012. The APC is a rigorous accredited certification program administered for the DoD enterprise by the Defense Security Service's Center for Development of Security Excellence. A competent corps of adjudicators improves adjudicative timeliness and enables compliance with Intelligence Reform and Terrorism Prevention Act mandates. Additionally, it provides assurance that adjudicators are reviewing cases based on shared standards that enable greater confidence in reciprocal acceptance of other adjudications. Finally, a robust trained corps of adjudicators is the first line of defense to deny potential malicious insiders' access to national security positions in DoD.

Areas of challenge: The Defense Language Institute Foreign Language Center (DLIFLC) was initially insufficiently resourced to sustain desired student-to-ratios, and the level of graduates' language proficiency suffered as a result.

Mitigation strategies: Civilian over-hires have enabled the DLIFLC to return to an optimum student-to-teacher ratio, and a number of strategic changes have also been put in place. The trend in performance, since the second quarter of FY 2012, has shown steady improvement as a result.

STRATEGIC GOAL 5 RESULTS: REFORM THE BUSINESS AND SUPPORT FUNCTIONS OF THE DEFENSE ENTERPRISE.

Strategic Goal 5 accounts for 42 percent of the Department's FY 2012 performance results (29 of 69). Based on FY 2012 results, the Department met or exceeded 55 percent (16 of 29) of performance goals for Strategic Goal 5. Results, by specific performance goal and each strategic objective area, are identified at Figure 8-18 and discussed in detail below.

Figure 8-18. DoD Strategic Goal 5 Results

STRATEGIC GOAL 5: REFORM THE BUSINESS AND SUPPORT FUNCTIONS OF THE DEFENSE ENTERPRISE.			
Performance Measures	Annual Performance Goals/Results		
	FY 2011 Results	FY 2012 Goals	FY 2012 Results
Strategic Objective 5. 1-2A: Increase use of renewable energy and reduce energy demand at DoD installations.			
<i>*Agency Priority Goal 3: By September 30, 2013, the DoD will: (1) improve its facility energy performance by reducing average building energy intensity by 24 percent from the 2003 baseline of 116,134 British Thermal Units (BTUs) per gross square foot, and producing or procuring renewable energy equal to 13 percent of its annual electric energy usage; and (2) improve its operational energy performance by establishing an operational energy baseline with all available data on fuel use; developing a plan for remediating data gaps; funding and implementing a comprehensive data plan; establishing and executing operational energy performance targets based on this comprehensive data for each Military Service and relevant agency.</i>			
5.1.1-2A: Average facilities sustainment rate	82%	85%	85% ¹¹ ↑
*5.1.2-2A: Cumulative average percent reduction in building energy intensity	13.3%	21%	17.7% ↑
*5.1.3-2A: Percentage of renewable energy produced or procured based on DoD's annual electric energy usage	8.5%	12%	9.6% ↑
5.1.4-2A: Million square feet of excess or obsolete facilities eliminated	41.6	57	55.8 ↑
Strategic Objective 5.2-2C: Protect critical DoD infrastructure and partner with other critical infrastructure owners in government and the private sector to increase mission assurance.			
5.2.1-2C: Percent of applicable information technology and National Security Systems that are certification and accreditation-compliant	92%	90%	91.1% ↓
5.2.2-2C: Cumulative percent reduction in the number of DoD data center	7%	19%	15% ↑
5.2.3-2C: Cumulative percentage of DoD Non-classified Internet Protocol Router Network (NIPRNet) accounts with Public Key Infrastructure (PKI) cryptographic login capability	88%	88%	95% ↑
5.2.4-2C: Cumulative percentage of DoD Secret Internet Protocol Router Network (SIPRNet) accounts with Public Key Infrastructure (PKI) cryptographic login capability	3.2%	50%	16.5% ↑
Strategic Objective 5.3- 2E: Improve acquisition processes, from requirements definition to the execution phase, to acquire military-unique and commercial items.			
<i>*Agency Priority Goal 4: By September 30, 2013, the DoD will improve its acquisition process by ensuring that: 100 percent of Acquisition Category (ACAT) 1 programs, going through Milestone A decision reviews, will present an affordability analysis; 100 percent of ACAT 1 programs, going through milestone decision reviews, will present a competitive strategy; the average cycle time for Major Defense Acquisition Programs (MDAPs) will not increase by more than 5 percent from the Acquisition Program Baseline; the annual number of MDAP breaches – significant or critical cost overruns, for reasons other than approved changes in quantity – will be zero; and the DoD will increase the amount of contract obligations, that are competitively awarded, to 60 percent in FY 2012 and 61 percent in FY 2013.</i>			
*5.3.1-2E: Percentage of contract obligations that are competitively Awarded	58.5%	60%	57.5% ↓
*5.3.2-2E: Average percent increase from the Acquisition Program Baseline (APB) cycle time for Major Defense Acquisition Programs (MDAPs) starting in FY 2002 and after	4.5%	5%	6.6% ↓
5.3.3-2E: Percent of enterprise level information Technology (IT) software and hardware deployed as business services within 18 months of the capability business cases approval	Non-applicable	70%	67%
5.3.4-2E: Number of Major Automated Information System (MAIS) "significant" breaches (equal to or greater than 15 percent of Acquisition Program Baseline (APB) total cost or with schedule slippages greater than six months))	2	1	3 ↓
5.3.5-2E: Number of Major Automated Information System (MAIS) "critical" breaches (equal to or greater than 25 percent of Acquisition Program Baseline (APB) total cost or with schedule slippages of one year or more))	1	2	3 ↓

Overview – FY 2014 Defense Budget

STRATEGIC GOAL 5: REFORM THE BUSINESS AND SUPPORT FUNCTIONS OF THE DEFENSE ENTERPRISE.						
Performance Measures	Annual Performance Goals/Results					
	FY 2011 Results	FY 2012 Goals	FY 2012 Results			
5.3.6-2E: Average rate of acquisition cost growth from the previous year for Major Defense Acquisition Programs (MDAPs) starting in FY 2002	-0.2%	3	-0.3%	↑		
*5.3.7-2E: Number of Major Defense Acquisition Program (MDAP) breaches equal to or greater than 15 percent of current Acquisition Program Baseline (APB) unit cost or equal to or greater than 30 percent of original APB unit cost	3	0	1	↑		
5.3.8-2E: Percentage of Small Business contract obligations goals met annually	20%	100%	20%	↔		
5.3.9-2E: Cumulative percent of Major Defense Acquisition Programs certified, as required by the Weapon Systems Acquisition Reform Act of 2009	60%	100%	84%	↑		
*5.3.10-2E: Percentage of Acquisition Category (ACAT) 1 programs, going through a Milestone A decision review, that present an affordability analysis	Non-applicable	100%	100%			
*5.3.11-2E: Percentage of Acquisition Category (ACAT) 1 programs, going through a Milestone A decision review, that present a competitive strategy	Non-applicable	100%	100%			
Strategic Objective 5.4-2L: Provide more effective and efficient logistical support to forces abroad.						
5.4.1-2L: Perfect Order Fulfillment (POF) rate for Defense Logistics Agency (DLA) stock items	86.2%	85.1%	87.1%	↑		
5.4.2-2L: Army customer wait time (days)	14.1	15.5	13.7	↑↓		
5.4.3-2L: Navy customer wait time (days)	11.4	15	12.6	↓		
5.4.4-2L: Air Force customer wait time (days)	5	7.5	5.5	↓		
5.4.5-2L: Percentage of excess on hand secondary item inventory	9.2%	10%	9.9% ^{2/}	↓		
5.4.6-2L: Percentage of excess on order secondary item inventory	4.8%	6.6%	5.8% ^{2/}	↓		
Strategic Objective 5.5-2U/V: Improve financial management and increase efficiencies in headquarters and administrative functions, support activities, and other overhead accounts.						
<i>*Agency Priority Goal 5: By September 30, 2013, the DoD will improve its audit readiness on the Statement of Budgetary Resources for Appropriations Received from 80 to 100 percent.</i>						
5.5.1-2U/V: Percentage of DoD Fund Balance with Treasury validated as audit-ready	9%	9%	9%	↔		
5.5.2-2U/V: Percentage of DoD Statement of Budgetary Resources validated as audit-ready	14%	14%	14%	↔		
5.5.3-2U/V: Percentage of DoD Mission Critical Assets validated for existence and completeness as audit-ready	4%	40%	41%	↑		
*5.5.4-2U/V: Percentage of DoD Statement of Budgetary Resources for Appropriations Received validated as audit-ready	80%	83%	88%	↑		
	Met or Exceeded		Did Not Meet		Total	
GOAL 5 – REFORM THE BUSINESS AND SUPPORT FUNCTIONS OF DEFENSE ENTERPRISE.	16	55%	13	45%	25	100%
Footnotes:						
^{1/} Reflects result for Operations and Maintenance (O&M) funds only as most facilities sustainment funding is O&M.						
Performance Trend Legend:						
Optimum performance (100%): ↑↓			Stable performance: ↔			
Improving performance: ↑			Declining performance: ↓			

Strategic Objective 5. 1-2A: Increase use of renewable energy and reduce energy demand at DoD installations.

**Agency Priority Goal 3: By September 30, 2013, the DoD will: (1) improve its facility energy performance by reducing average building energy intensity by 24 percent from the 2003 baseline of 116,134 British Thermal Units (BTUs) per gross square foot, and producing or procuring renewable energy equal to 13 percent of its annual electric energy usage; and (2) improve its operational energy performance by establishing an operational energy baseline with all available data on fuel use; developing a plan for remediating data gaps; funding and implementing a comprehensive data plan; establishing and executing operational energy performance targets based on this comprehensive data for each Military Service and relevant agency.*

Areas of significant improvement: In FY 2012, the Department met its sustainment goal with the Services and Agencies prioritizing sustainment tasks and focusing their funding on their most pressing requirements. The DoD has made near-term progress in reducing excess facilities based on its six-year demolition program and is on track to meet its overall department-wide target to demolish 62.3 million square feet by the end of fiscal year 2013.

Areas of challenge: While the DoD is steadily improving its energy performance, Figure 8-18 indicates that the Department did not meet its Agency Priority Goals for FY 2012. Prior to FY 2011, other funding priorities limited the Department's ability to adequately budget for energy efficiency improvements and renewable energy projects.

In addition, the Department fell short in meeting its demolition goal for FY 2012 where funds are often diverted to higher priorities such as sustainment.

Mitigation strategies: During FY 2011, the Department provided a more robust budget for facility energy requirements, but does not expect to meet facility energy goals until FY 2015. To date, the DoD has awarded \$362 million in performance based energy contracts.

Strategic Objective 5.2.2C: Protect critical DoD infrastructure and partner with other critical infrastructure owners in government and the private sector to increase DoD mission assurance.

Areas of significant improvement: Figure 8-18 indicates that the Department achieved 50 percent (2 of 4) mission assurance goals for FY 2012. As of September 30, 2012, over 91 percent of applicable information technology systems were compliant and 95 percent of DoD Non-classified Internet Protocol Router Network (NIPRNet) accounts had Public Key Infrastructure (PKI) cryptographic login capability.

Areas of challenge: Less progress has been made in FY 2012 with regard to achieving the Department's share of the federal-wide reduction in data centers and transitioning DoD Secret Internet Protocol Router Network (SIRPNet) accounts to PKI cryptographic login capability. Less progress was made with regard to closing DoD data centers due, in part, to new Office of Management and Budget (OMB) guidance in March 2012 on definition of a data center. This new definition discounted some of data centers closures that had been previously reported in FY 2011. The DoD has closed 87 data centers since FY 2010. While a large number of data centers were closed, the DoD did not achieve its FY 2012 goal also due to unanticipated closure costs and complications with execution.

Mitigation strategies: DoD Components continue to identify their data center inventories and are executing Business Case Analyses to update their annual plans. Compliance rates are closely monitored on a monthly basis by the DoD Chief Information Officer (CIO) Federal Information Security Management Act (FISMA) Reporting team. The DoD CIO sent a memorandum to senior Component leadership directing corrective action to those who fell short. Components with lower or falling scores were also addressed individually to resolve issues. Military Department CIOs were reminded about this goal during the CIO's Executive Board

meeting, and the DoD CIO called on those who were lagging to provide comments on their plans to reach the goal.

Applying industry best practices for data centers, components are aggressively rationalizing their applications and systems, and converting them to virtualized environments in order to consolidate them into designated core data centers.

In an effort to mitigate lagging performance on the issuance of SIPRNet PKI tokens and the enabling of cryptographic logon, the DoD Deputy CIO met with the Services' senior leaders and required them to submit updated improvement plans.

Strategic Objective 5.3.2E: Improve acquisition processes, from requirements definition to the execution phase, to acquire military-unique and commercial items.

**Agency Priority Goal 4: By September 30, 2013, the DoD will improve its acquisition process by ensuring that: 100 percent of Acquisition Category (ACAT) 1 programs, going through Milestone A decision reviews, will present an affordability analysis; 100 percent of ACAT 1 programs, going through milestone decision reviews, will present a competitive strategy; the average cycle time for Major Defense Acquisition Programs (MDAPs) will not increase by more than 5 percent from the Acquisition Program Baseline; the annual number of MDAP breaches – significant or critical cost overruns, for reasons other than approved changes in quantity – will be zero; and the DoD will increase the amount of contract obligations, that are competitively awarded, to 60 percent in FY 2012 and 61 percent in FY 2013.*

Areas of significant improvement: Figure 8-18 indicates that 3 of 11 acquisition results (or 27 percent) were achieved for FY 2012. Two results reflect policy initiatives that were implemented at the beginning of FY 2012. These policy changes were directed by the USD(AT&L) in his "Implementation Directive for Better Buying Power – Obtaining Greater Efficiency and Productivity in Defense Spending." Specifically, this directive requires the establishment of an affordability target (initially, average unit acquisition cost and average annual operating and support cost per unit), prior to Milestone B, that will be used to drive design trades and choices about affordable priorities. The directive also requires a competitive strategy for each Acquisition Category (ACAT) 1 program going through a milestone review.

The third, and perhaps most noteworthy result, shows the average rate of Major Defense Acquisition Program (MDAP) cost growth (at -0.27 percent) – significantly below the annual FY 2012 goal of three percent.

Areas of challenge: Figure 8-18 indicates that 8 of 11 acquisition-related results (or 73 percent) of acquisition-related goals were not met. In addition, only 2 of 8 results (or 25 percent) show improvement over prior year performance levels.

While the Department continues to stress the importance of increased competition, the Department did not meet its FY 2012 competition goal and reflecting a negative trend in its percentage of competitive contract awards. Significant barriers to competition include directed source Foreign Military Sales (FMS) buys, reliance on non-competitive follow-on procurements for weapon systems, and limited new starts of MDAPs, based on the current budget environment. According to the Air Force and the Navy, the primary cause for the shortfall in competitive contract obligations was high dollar, non-competitive contract awards for major weapon systems. Specifically, the Air Force noted a significant increase in directed FMS source for the F-15 and F-16 aircraft programs, and the Navy cited non-competitive production contract awards for the Joint Strike Fighter and P8 aircraft programs.

The Department met 20 percent (or 1 of 5) of its Small Business goals for FY 2012. While the DoD actually exceeded its five percent goal for contracts to Disadvantaged businesses, the Department did not achieve its overall goal for Small Business contracts or the specific goals established for Women-owned; Service-disabled, Veteran-owned; and Historically-underutilized business entities.

In the area of Major Defense Acquisition Programs (MDAPs), the Department did not meet its FY 2012 cycle time goal and is reflecting a negative trend in average cycle time growth for MDAPs starting in FY 2002 and after. Average cycle time growth, from the Acquisition Program Baseline starting in FY 2002 and after, increased from 4.5 percent in FY 2011 to 6.6 percent at the end of FY 2012. Most of the 28 programs in the portfolio of MDAPs, starting in FY 2002 and after, have experienced no, little, or even in some cases, negative cycle time growth. However, there are 10 programs with cycle time growth exceeding the five percent target. Collectively, the portfolio averages cycle time growth of 6.6 percent.

The Department did not achieve its FY 2012 goal, calling for zero MDAP cost breaches for reasons other than approved changes in quantity. However, the Department is experiencing a positive trend line, in this area, when compared to the three breaches that occurred in FY 2011. Specific to FY 2012, one breach occurred for the Evolved Expendable Launch Vehicle (EELV) program. While the EELV program reduced the total launch vehicles, this was not the sole driver for the breach. Another main source is associated with increases in supply chain costs such as those for the propulsion subsystem. The remaining cost growth is largely attributable to a combination of increased material costs and other supplier management issues.

The Department is making progress, but did not complete the certifications of MDAPs, that is required by the Weapons Systems Acquisition Reform Act (WSARA) of 2009. This is based on decisions to re-schedule several acquisition milestone reviews where certification occurs.

In the area of Major Automated Information System (MAIS) acquisition, the Department exceeded both performance goals for FY 2012 to restrain the number of “critical” and “significant” MAIS breaches. Four of the six breaches occurred in Defense Business Systems. In FY 2012, the Department incurred three “significant” and three “critical” MAIS breaches. The “critical” breaches occurred for the Expeditionary Combat Support System – Increment 1; Key Management Infrastructure System – Increment 1; and the Virtual Interactive Processing System. The “significant” MAIS breaches occurred for the Global Combat Support System – Marine Corps; the Consolidated Afloat Networks and Enterprise Services System; and Global Combat Support System – Army.

Mitigation strategies: The most common reason for DoD non-competitive awards is that one contractor is the only responsible source for the procurement. The challenge is to strengthen the supplier base so the Department has more supply options.

To prevent cost breaches and cycle time growth for newer MDAP programs, the DoD has strengthened the front end of the acquisition process through new policy and procedural guidance. All programs must enter into the process via a mandatory process entry point, the Materiel Development Decision. This will ensure programs are based on rigorous assessments of alternatives and requirements. At Milestone B, the DoD aims to reduce technical risk by requiring completion of a Preliminary Design Review and by ensuring that an independent review is conducted to assess and certify the maturity of technologies. Also at Milestone B, the Milestone Decision Authority, on the basis of a business case analysis, must certify in writing to the Congress that:

- The program is affordable, when considering the ability to accomplish the program’s mission using alternative systems;
- Trade-offs among cost, schedule, and performance objectives have been made to ensure that the program is affordable when considering the per-unit cost and the total acquisition cost, in the context of the total resources available during the five-year programming period;

Overview – FY 2014 Defense Budget

- The Director, Cost Assessment and Program Evaluation (CAPE) concurs with reasonable cost and schedule estimates to execute the program development and production plans; and
- Funding is available to execute the product development and production plan under the program, through the five-year programming period.

However, when program schedules are stretched for overall affordability constraints, program costs will likely increase.

Strategic Objective 5.4.2L: Provide more effective and efficient logistical support to forces abroad.

Areas of significant improvement: Figure 8-18 indicates that the Department met all six of its logistics support goals for FY 2012. All of the Services and the Defense Logistics Agency (DLA) met their targeted performance goals for customer wait time and perfect order fulfillment, respectively. In addition, the Army improved average customer wait time (CWT) by three percent (from 14.1 days in FY 2011 to 13.7 days in FY 2012). The Army's improvement was associated with receiving materiel at selected sites through the nearest supply activity which allowed closing orders faster. The DLA also improved its perfect order fulfillment rate from 86.2 percent in FY 2011 to 87.1 percent in FY 2012.

Areas of challenge: While the Army and the DLA reflect improvements in logistics support, customer wait times for the Navy and the Air Force reflect negative trends when compared to prior year (FY 2011) performance levels. Preliminary analysis indicates that the increase in Navy CWT (from 11 to 12.6 days) is mainly due to an increase in demand for items that are not normally stocked and an increase in demand for items carried but not in stock.

While the Department is meeting its two inventory management goals for FY 2012, it is experiencing negative trends in terms of excess secondary items. As of March 2012, the Department's excess of secondary items on-hand grew from 9.2 to 9.9 percent and the DoD's excess of secondary items on order grew from 4.8 to 5.8 percent from FY 2011 year-end levels.

Mitigation strategies: The measures associated with logistics support will continue to be monitored for compliance with desired execution.

Strategic Objective 5.5.2U/2V: Increase efficiencies in headquarters and administrative functions, support activities, and other overhead accounts.

**Agency Priority Goal 5: By September 30, 2013, the DoD will improve its audit readiness on the Statement of Budgetary Resources for Appropriations Received from 80 to 100 percent.*

Areas of significant improvement: The Department relies on four key performance indicators or measures to assess its progress with regard to becoming audit ready. All of the measures are focused on the accuracy and reliability of the Department's ledgers, accounting systems, and associated financial reports. Figure 8-18 indicates that the Department met or exceeded all four audit readiness goals for FY 2012.

Areas of challenge: While the DoD met all four audit readiness goals for FY 2012, only 50 percent of these results (2 of 4) reflect improvement over prior year audit readiness levels. The DoD Components continue to face significant challenges with business and financial legacy systems. Most legacy systems do not record all of the financial transactions at the transaction level and do not have the capability of system-to-system interface with key financial systems.

Mitigation strategies: Each DoD Component must continue to proactively track and monitor key capabilities to demonstrate audit readiness – e.g., “Controls over recording appropriations are effective,” and “Supporting documentation is retained and available to meet audit standards.” Each DoD Component tests their control activities and supporting documentation to ensure reliability, accuracy, and timeliness of reported data. Manual interfaces and workarounds between systems will require training personnel in the entire transaction cycle.

CONCLUSION

During FY 2012, the Department’s enacted appropriations were approximately \$646 billion, comprised of \$531 billion in the base operating budget and \$115 billion in the Overseas Contingency Operations (OCO) resources. These appropriations enabled the Department to maintain readiness to conduct missions abroad and a full spectrum of training, combat training center rotations, and recruiting and retention efforts.

As previously stated, the Department achieved an 89 percent success rate in meeting core warfighting results (primarily Strategic Goals 1, 2, and 3) in FY 2012. In addition, 88 percent of warfighting results reflect positive improvements over FY 2011 or are already operating at optimum (100 percent) performance levels.

The United States successfully executed a responsible drawdown in Iraq in accordance with the U.S.-Iraq Security Agreement. In addition, the U.S. is also now closer than ever to achieving its strategic objectives in Afghanistan, and is beginning to transition security responsibility to Afghan security organizations. The ANSF continues to develop into a force capable of assuming the lead for security responsibility throughout Afghanistan by the end of 2014. As the ANSF develops, the Department has worked with other U.S. government agencies to lay the groundwork for their sustainable future with a reduced U.S. presence.

In FY 2012, all Combatant Commanders maintained their readiness postures by ensuring surge capability and effective mobilization. In addition, the Department completed almost all of the enhancements to consequence management response forces called for in the 2010 QDR. As part of the NPR implementation, the DoD increased opportunities to engage allies in discussion on extended deterrence and continued to strengthen missile defense cooperation with partners in key regions. Finally, the DoD began implementing a new defense strategy that will create a smaller and more flexible joint force to defend U.S. national interests.

The FY 2012 budget also addressed the Department’s imperative to take care of its people. Our workforce consists of more than three million employees, both afloat and ashore, deployed throughout the world to meet mission requirements. In FY 2012, the Department kept faith with its men and women in uniform and their families with initiatives to improve care to our wounded, ill, and injured and carefully managing military personnel to comply with deployment planning objectives. During FY 2012, the Department mobilized approximately 70,000 Reserve Component members at any given time, thereby reducing the stress on the total force while increasing the capacity.

While the Department achieved notable progress in achieving core warfighting results (primary strategic goals 1, 2, and 3) and improving military force management (strategic goal 4), less progress was made in DoD business support (Strategic Goal 5). In FY 2012, the Department met 55 percent of FY 2012 business goals and achieved positive improvement in only 54 percent of these. Consequently, the Department will need to demonstrate much more progress to resolve the major economy, efficiency, and effectiveness challenges associated with DoD business functions.

8.6 FY 2013 DOD ANNUAL PERFORMANCE PLAN (UPDATED)

FY 2013 Strategic Plan Update

On January 5, 2012, the President and the Secretary of Defense released new strategic guidance for the Department of Defense. The Department's FY 2013 Performance Plan, included with the FY 2013 President's Budget, has been updated to reflect interim changes in DoD strategic direction and organizational priorities. This updated guidance recognizes that we are at a strategic point, after a decade of war, with new challenges and opportunities that call for a reshaping of defense priorities. The military mission in Iraq has ended, transition to Afghan security responsibility is underway in Afghanistan, and targeted counter-terrorism operations have weakened Al Qaida. At the same time, the world and technology continue to change, and American military power must change. To that end, interim updates to select strategic goals include the following:

- Realignment of the Department's "Prevent and Deter Conflict" as DoD Strategic Goal #1, in terms of priority, ahead of DoD Strategic Goal #2: "Prevail in Today's Wars" (focused on Overseas Contingency Operations); and
- Modification of DoD Strategic Goal #5 to include a focus on finding further efficiencies in DoD business and support functions.

Interim updates to select strategic objectives include the following changes to DoD's Strategic Goal #1 "**Prevent and Deter Conflict**":

- Replaces the following DoD Strategic Objective:
 - Extend a global posture to prevail across all domains by increasing capacity in general purpose forces and by enhancing stability operations and foreign security force competency.
- Adds the following new DoD Strategic Objectives:
 - Ensure that we can quickly confront and defeat aggression from any adversary – anytime, anywhere.
 - Rebalance our global posture and presence to emphasize the Asia-Pacific region and maintain focus on the Middle East.
 - Build innovative partnerships and strengthen key alliances elsewhere in the world.

Interim updates to DoD's Strategic Goal #2 "**Prevail in Today's Wars**", include the following:

- Retires the following DoD Strategic Objectives:
 - Degrade the Taliban to levels manageable by the Afghan National Security Force (ANSF), while increasing the size and capability of the ANSF; and
 - Execute a responsible drawdown of the U.S. military presence in Iraq.
- Adds the following new DoD Strategic Objective:
 - Transition security responsibilities to the Afghan National Security Force (ANSF) and reset DoD forces and equipment.

In addition, the FY 2013 update realigns two strategic objectives between Strategic Goals 1 and 3 to recognize the U.S. forces role in training and advising foreign security forces (Strategic Goal 1) with DoD's nuclear arsenal supporting a wide range of contingencies (Strategic Goal 3).

Based on the above interim updates to strategic guidance, eleven new performance goals were added for DoD management focus in FY 2013:

Overview – FY 2014 Defense Budget

- Two goals to reflect the drawdown of U.S. forces out of Afghanistan;
- Two goals to improve missile defense capabilities;
- Three goals to advance foreign security assistance;
- Two goals to improve military healthcare;
- One goal to increase military spouse employment; and
- One goal to enhance Advanced Military Source Operations and interrogation skills.

Figure 8-19. Summary of FY 2013 Performance Goals by DoD Strategic Goal

DoD Strategic Goal	FY 2013	
	#	%
Goal 1 – Prevent and Deter Conflict.	12	16%
Goal 2 - Prevail in Today's Wars.	3	4%
Goal 3 – Prepare to Defeat Adversaries and Succeed in a Wide Range of Contingencies.	10	14%
Goal 4 – Preserve and Enhance the All-Volunteer Force.	23	31%
Goal 5 – Reform and Find Further Efficiencies in the Business and Support Functions of the Defense Enterprise.	26	35%
TOTAL	74	100%

In addition, six performance goals were deleted for FY 2013, based primarily on achieving projected performance end states in FY 2012:

- One goal to increase Afghan National Security Forces end strength;
- One goal that halts chemical weapons destruction until FY 2016;
- One goal to certify DoD security adjudicators;
- One goal to deliver enterprise information technology business services within 18 months of the capability business case approval; and
- Two APG goals focused on implementing affordability and competition into the Department's acquisition process.

Figure 8-19 provides a summary update of FY 2013 performance goals.

FY 2013 Agency Priority Goals

Based on the GPRA Modernization Act, the FY 2013 Annual Performance Plan (APP) carries over the following five Agency Priority Goals (APGs) from FY 2012. Twelve (or 16 percent) of FY 2013 APP performance goals (74) are associated with the following Agency Priority Goals. APGs are included as sub-goals in the Department's FY 2013 APP, as summarized at Exhibit B and detailed on the OMB's public website at <http://www.performance.gov/>.

- *Agency Priority Goal 1: By September 30, 2013, the DoD will attain a passing score on a comprehensive cyber security inspection that assesses compliance with technical, operational, and physical security standards, on an overwhelming majority of inspected military cyberspace organizations resulting in improved hardening and cyber defense.*

The Defense Department faces an advanced and persistent cyber threat. Ensuring Department systems and networks adhere to policies and standards and are properly

configured will significantly reduce the attack surface, slow or reduce the advances that an adversary could make, and reduce the risk to the Department's mission. Command Cyber Readiness Inspections (CCRI) help ensure compliance with policies and standards, thereby hardening the Department's systems and networks and improving its cyber defense posture. Due to the sensitive nature of Federal cybersecurity efforts, details on this goal are internal to the government.

- *Agency Priority Goal 2: By September 30, 2013, the DoD will: (1) increase the use of Recovery Care Coordinators and ensure WII Service members have active recovery plans; (2) improve effectiveness of behavioral health programs and ensure all Service members complete quality post-deployment health screenings; and (3) accelerate the transition of WII Service members into veteran status by reducing the processing time required for disability evaluation boards.*

Our Nation is committed to the care and support of those who keep our country free and strong. For FY 2013, the Department will ensure that 100 percent of our WII Service members are assigned Recovery Care Coordinators (RCCs) and have active recovery plans that address their non-medical needs as they transition back to military or civilian life. The Department will also continue working with the VA to accelerate the transition of WII Service members into veteran status by reducing the disability evaluation processing time by eliminating duplicate work and sharing medical examination and disability rating information to produce faster, more consistent compensation decisions. To this end, the Department has established sub-goals for various phases of the IDES process and will be actively monitoring and tracking performance against these to ensure the timeliness goals are met. The DoD expects that increased resources (800 additional IDES positions), increased leadership focus, and continued process streamlining improvements will enable the Department to significantly improve its IDES performance in the near term.

For FY 2013, the Department has also added two new performance goals to support wounded warrior care that are designed to improve the effectiveness of psychological health programs and ensure all Service members complete quality post-deployment health screenings. The Department will be reviewing its numerous psychological health programs, as part of a larger process, that will institutionalize measures of effectiveness as part of future day-to-day operations and ensure the DoD is making the right investments that result in improved outcomes. Over FY 2013, the Department will also be implementing a more comprehensive Post-Deployment Health Assessment screening questionnaire that is designed to better identify physical and behavior health concerns of deploying Service members and the responsiveness of medical providers who take care of them. More detailed information on the Department's Wounded, Ill and Injured Agency Priority Goal can be found at <http://www.performance.gov/>.

- *Agency Priority Goal 3: By September 30, 2013, the DoD will: (1) improve its facility energy performance by reducing average building energy intensity by 24 percent from the 2003 baseline of 116,134 British Thermal Units (BTUs) per gross square foot, and producing or procuring renewable energy equal to 13 percent of its annual electric energy usage; and (2) improve its operational energy performance by establishing an operational energy baseline with all available data on fuel use; developing a plan for remediating data gaps; funding and implementing a comprehensive data plan; establishing and executing operational energy performance targets based on this comprehensive data for each Military Service and relevant agency.*

Improving facility energy performance at the DoD will reduce reliance on fossil fuels, lower energy costs, improve mission effectiveness, and improve energy security. Efficiencies will be achieved by reducing the demand for traditional energy, while increasing the supply of renewable energy. Legislation mandates a three percent annual reduction in facilities energy intensity, as measured in British Thermal Units per gross square foot. Additionally, the Department has a requirement to increase production or procurement of renewable energy equal to 25 percent of its electrical energy usage by fiscal year 2025.

Over FY 2013, the Department is pursuing a facility energy investment strategy that has four elements: (1) reduce the demand for traditional energy through conservation and energy efficiency, (2) expand the supply of renewable and other distributed (on-site) generation sources, (3) enhance the energy security of our bases directly (as well as indirectly, through the first two elements), and (4) leverage advanced technology. Financing for these investments will come from the DoD's military construction budget, the Energy Conservation Investment Program, Energy Savings Performance Contracts, and mechanisms such as Enhanced Use Leases and Power Purchase Agreements. A large fraction of DoD's investments will be used to retrofit existing buildings with energy efficiency systems and ensure energy efficient designs in new construction. The DoD requested \$1.1 billion in the FY 2013 budget for energy efficiency improvements to existing buildings. In addition, the Department will rely on third-party financing for large-scale renewable energy projects to make DoD bases more energy secure. The DoD has a commitment to execute nearly \$1.2 billion in third-party financed performance-based contracts in response to the President's December 2, 2011 commitment (\$2 billion in such contracts by the end of FY 2013).

In FY 2013, the Department is also committed to improving decision-making related to operational energy by establishing a credible baseline for consumption of energy used to train, move, and sustain military forces and weapon system platforms for military operations. More detailed information on the Department's Agency Priority Goal on Energy can be found at <http://www.performance.gov/>.

- *Agency Priority Goal 4: By September 30, 2013, the DoD will improve its acquisition process by ensuring that: 100 percent of Acquisition Category (ACAT) 1 programs, going through Milestone A decision reviews, will present an affordability analysis; 100 percent of ACAT 1 programs, going through milestone decision reviews, will present a competitive strategy; the average cycle time for Major Defense Acquisition Programs (MDAPs) will not increase by more than 5 percent from the Acquisition Program Baseline; the annual number of MDAP breaches – significant or critical cost overruns, for reasons other than approved changes in quantity – will be zero; and the DoD will increase the amount of contract obligations, that are competitively awarded, to 60 percent in FY 2012 and 61 percent in FY 2013.*

The Defense Department has a continuing responsibility to procure weapon systems and critical goods and services needed by our Armed Forces to successfully execute our national security mission. For the competition goal, the Department has directed improvement plans from every competition advocate and is in the process of strengthening the supplier base to give the Government more supply options.

The DoD has a portfolio of 95 ongoing Major Defense Acquisition Programs (MDAPs). In FY 2012 dollars, the total planned investment in these MDAPs was \$1.7 trillion as of December 31, 2011. For FY 2013, the Department will continue to focus management attention on initiatives that foster increased competition, contain MDAP costs, and

minimize variation in acquisition cycle times for when new systems reach Initial Operating Capability. To prevent cost breaches and cycle time growth, the DoD strategy has been to focus on the front end of the acquisition process through policy and procedural guidance that assures rigorous assessments of alternatives and requirements and independent reviews to certify maturity of technologies. More detailed information on the Department's Agency Priority Goal on improving acquisition can be found at <http://www.performance.gov/>.

- *Agency Priority Goal 5: By September 30, 2013, the DoD will improve its audit readiness on the Statement of Budgetary Resources for Appropriations Received from 80 to 100 percent.*

Auditable annual financial statements are required by law and reassure the public that the Department is a good steward of its resources. Once the Defense Agencies have been validated as audit ready, the Department will have reached its FY 2013 goal of achieving audit readiness on 100 percent of DoD's Statement of Budgetary Resources (SBR) for Appropriations Received. Meeting the goal of being audit ready on the General Fund SBR for Appropriations Received will mean that the Department can accurately account for and distribute funds provided by Congress into the right accounts in accordance with law.

Although the Department does not anticipate any issues meeting this APG for FY 2013, challenges still exist in achieving the Department's overall goals of audit readiness of the General Fund SBR by September 30, 2014, and full audit readiness for all DoD financial statements by September 30, 2017. More detailed information on the Department's Agency Priority Goal on audit readiness can be found at <http://www.performance.gov/>.

In addition to Agency Priority Goals (APGs), the GPRA Modernization Act also requires the identification of Cross-Agency Priority (CAP) Goals in areas where increased cross-agency coordination on outcome-focused areas is likely to improve progress. In accordance with the GPRA Modernization Act, interim CAP Goals were published concurrent with the FY 2013 President's Budget.

Per the GPRA Modernization Act requirement to address Cross-Agency Priority (CAP) Goals in the agency strategic plan, the annual performance plan, and the annual performance report, please refer to <http://www.performance.gov/> for the Defense Department's contributions to those goals and progress, where applicable. The DoD currently contributes to the following CAP Goals:

- Entrepreneurship and Small Business;
- Veteran Career Readiness;
- Cybersecurity;
- Sustainability;
- Real Property;
- Improper Payments;
- Data Center Consolidation;
- Closing Skills Gaps; and
- Strategic Sourcing.

8.7 FY 2014 DOD ANNUAL PERFORMANCE PLAN

On January 5, 2012, the President and the Secretary of Defense released new strategic guidance for the Department of Defense. The FY 2014 Annual Performance Plan reflects the strategic priorities in that guidance for a 21st century defense that preserves American global leadership; maintains our military superiority; and keeps faith with our troops, military families and veterans.

Compared to FY 2013, two new performance goals were added for DoD management focus in FY 2014:

- One goal to focus on in-transit contingents receiving force protection support; and
- One goal to improve intelligence individuals with required language proficiency.

Nine performance goals were deleted for FY 2014, based primarily on achieving projected end states in FY 2013:

- Army Multi-functional brigades converted to modular design;
- Psychological health programs reviewed;
- Armed Services transition to new post-deployment health assessment;
- Excess facilities eliminated;
- NIPRNet accounts with Public Key Infrastructure (PKI) logon capability;
- SIPRNet accounts with Public Key Infrastructure (PKI) logon capability;
- MDAPs certified under the Weapon Systems Acquisition Reform Act;
- Perfect Order Fulfillment (POF) rates for Defense Logistics Agency-stocked items; and
- Audit readiness of DoD appropriations received.

Two additional performance goals are deferred for FY 2014, pending completion of the DoD budget request for Overseas Contingency Operations.

Figure 8-20 provides a summary of performance goal changes for FY 2014.

Figure 8-20. Summary of FY 2013 – FY 2014 Performance Goal Changes

DoD Strategic Goal	FY 2013			FY 2014		
	#	%	Additions	Deletions	#	%
Goal 1 – Prevent and Deter Conflict	12	16%	1	-1	12	18%
Goal 2 - Prevail in Today's Wars.	3	4%	0	-2	1	2%
Goal 3 – Prepare to Defeat Adversaries and Succeed in a Wide Range of Contingencies.	10	14%	0	0	10	15%
Goal 4 – Preserve and Enhance the All-Volunteer Force.	23	31%	1	-2	22	34%
Goal 5 – Reform and Find Further Efficiencies in the Business and Support Functions of the Defense Enterprise.	26	35%	0	-6	20	31%
TOTAL	74	100%	2	-11	65	100%

The GPRA Modernization Act includes direction that Agency Performance Plans identify low-priority program activities based on an analysis of their contribution to the mission and goals of the agency and include an evidence-based justification for designating a program activity as low priority. The “Cuts, Consolidations, and Savings (TRS)” volume of the President’s Budget identifies the low-priority program activities under the GPRA Modernization Act, 31 U.S.C. 1115(b)(10). The public can access the volume at <http://www.whitehouse.gov/omb/budget>. The following sections provide a discussion of the Department’s FY 2014 Annual Performance Plan by DoD strategic goal area with all 65 performance goals summarized at Exhibit B.

STRATEGIC GOAL 1: PREVENT AND DETER CONFLICT.

- 1.1-1F1: Ensure that we can quickly confront and defeat aggression from any adversary - anytime - anywhere.
- 1.2.1F1: Enhance U.S. capabilities to train, advise, and assist foreign security forces and their sustaining institutions to operate with or in lieu of U.S. forces.
- 1.3.1F1: Rebalance our global posture and presence to emphasize the Asia-Pacific region and maintain focus on the Middle East.
- 1.4.1F1: Build innovative partnerships and strengthen key alliances and partnerships elsewhere in the world.
- 1.5-1F3: Strengthen cooperation with allies and partners to develop and field robust, pragmatic, and cost-effective missile defense capabilities.
- 1.6-1X2: Ensure sufficient Intelligence, Surveillance, and Reconnaissance (ISR) collection and analysis capacity for full spectrum operations and ensure resiliency of ISR operations.

The Department’s January 5, 2012 Strategic Guidance acknowledges that our Nation is at a moment of transition that entails defense spending reductions in order to put our fiscal house in order. The FY 2014 Performance Plan identify twelve goals (Exhibit B) for the Department’s “Prevent and Deter Conflict” mission that are focused on preserving military operational foreign security forces, strengthening key alliances, and providing for full spectrum ISR.

The Joint Force will be prepared to confront and defeat aggression anywhere in the world (**Strategic Objective 1.1-1F1**). It will have cutting edge capabilities, led by the highest quality, battle-tested professionals. It will have the ability to surge and regenerate forces and capabilities, ensuring that we can meet any future threats and remain the world’s finest military. U.S. forces will no longer be sized to conduct large-scale, prolonged stability operations. As U.S. forces draw down in Afghanistan, our global counter terrorism efforts will become more widely distributed for counter terrorism and irregular warfare. U.S. forces will be capable of deterring aggression by an opportunistic adversary in one region even when forces are committed to a large-scale operation elsewhere. U.S. forces will conduct a sustainable pace of presence operations abroad with thoughtful choices made regarding the location and frequency of operations. Our planning envisions forces that are capable to fully deny a capable state’s aggressive objectives in one region by conducting a combined arms campaign across all domains – land, air, maritime, space, and cyberspace.

The Department’s updated strategic guidance articulates priorities for a 21st century defense that sustains U.S. global leadership with the Department shaping a Joint Force for the future that will be smaller and leaner, but will be agile, flexible, ready, and technologically advanced. Specifically, our FY 2014 Annual Performance Plan (Exhibit B) carries over two performance goals focused on maintaining Combatant Command readiness for executing Theater Campaign Plan missions and for Contingency Plans. The plan also continues the Army’s transformation to

modular brigades and provides a realistic shipbuilding program that provides the global reach, persistent presence, and tactical effects expected of Navy forces.

Building partnership capacity elsewhere in the world remains important for sharing costs and responsibilities of global leadership (**Strategic Objective 1.2-1F1**). Whenever possible, we will develop innovative, low-cost, and small-footprint approaches to achieve our security objectives, relying on exercises, rotational presence, and advisory capabilities. To this end, our FY 2014 Annual Performance Plan includes three goals (Exhibit B) focused on enhancing general purpose forces training in specialized security force assistance, increasing the number of civilian expeditionary advisors, and expanding the Defense Institution Reform Initiative (DIRI). The DIRI, like the Ministry of Defense Advisory Program, is a global security cooperation initiative to support the development and enhancement of partner defense ministries. Both programs are being expanded to other critical theaters based on their success in Afghanistan.

The Department's Armed Forces will have a global presence that emphasizes the Asia-Pacific and Middle East, while still ensuring our ability to maintain our defense commitments to Europe and strengthening alliance and partnerships across all regions (**Strategic Objective 1.3-1F1**). Our defense efforts in the Middle East will be aimed at countering violent extremists and destabilizing threats, as well as upholding our commitments to allies and partner states. U.S. policy will emphasize security in the Persian Gulf, in cooperation with Gulf Cooperation Council countries, to prevent Iran's development of a nuclear weapon capability and counter its destabilizing policies. The United States will do this while standing up for Israel's security and a comprehensive Middle East peace. The United States is also investing in a long-term strategic partnership with India to support its ability to serve as a regional economic anchor and provider of security in the broader Indian Ocean region. We will maintain peace on the Korean Peninsula by effectively working with allies and other regional states to deter and defend against provocation from North Korea which actively pursuing a nuclear weapons program.

As new generations across the Middle East and North Africa demand their universal rights, the Department will deepen partnerships with allies around the world to build their capacity to promote regional security, prosperity, and human dignity (**Strategic Objective 1.4-1F1**). In addition, building partnership capacity in the world remains important for sharing the costs and responsibilities of global leadership. Across the globe, we seek to be the security partner of choice, pursuing new partnerships with a growing number of nations whose interests and viewpoints are merging into a common vision of freedom, stability, and prosperity.

In September 2009, the President announced a revised ballistic missile defense (BMD) strategy (**Strategic Objective 1.5-1F1**). The Phased Adaptive Approach (PAA) is a more flexible, regionally-focused BMD strategy that will be implemented initially in defense of our European Allies, but could be transferable in the future to other regions. A major thrust of the PAA is the shift of resources towards increasing the procurement and delivery of proven BMD capabilities (namely, Standard Missile (SM)-3 interceptors and Army Navy/Transportable Radar Surveillance-Model 2 (AN/TPY-2) radars to the warfighter. The FY 2014 Annual Performance Plan highlights these investments in missile defense that are tailored to individual regions and defends against existing short-and medium-range ballistic missile threats.

The FY 2014 budget also continues investments in other capabilities critical to future success, including counter weapons of mass destruction (WMD) and unmanned aircraft and ground-based collection systems. Beginning in FY 2013, the Department's goal for Combat Air Patrols/orbits (**Strategic Objective 1.6-1X2**) is normalized to exclude the effects of surge operations. Our FY 2014 goal for 65 non-surge CAPs provides increased Signals intelligence, queued Full Motion Video, and strike capability across all mission areas.

STRATEGIC GOAL 2: PREVAIL IN TODAY'S WARS.

2.1-OCO: Transition security assistance responsibilities to the Afghan National Security Force (ANSF) and reset DoD forces and equipment.

The Department's FY 2014 Annual Performance Plan identifies three performance measures (Exhibit B) for Overseas Contingency Operations (OCO) that are focused on maintaining Combatant Commander readiness for current operations and reducing the U.S. military presence in Afghanistan (**Strategic Objective 2.1-OCO**). However, annual performance goals associated with U.S. force levels remaining in Afghanistan are pending the President's direction and completion of the Department's FY 2014 OCO budget request.

STRATEGIC GOAL 3: PREPARE TO DEFEAT ADVERSARIES AND SUCCEED IN A WIDE RANGE OF CONTINGENCIES.

3.1-1F2A: Maintain a safe, secure, and effective nuclear arsenal to deter attack on the U.S. and on our allies and partners.

3.2-1F2B: Improve the responsiveness and flexibility of consequence management response forces.

3.3-1F2C: Enhance capacity to locate, secure, or neutralize weapons of mass destruction, key materials, and related facilities.

3.4-1X1: Expand capacity to succeed against adversary states armed with anti-access capabilities and/or nuclear weapons and improve capabilities to conduct effective operations in cyberspace and space.

3.5-2D: Maintain a strong technical foundation within the Department's Science and Technology (S&T) program.

The Department's updated Strategic Guidance describes the projected security environment and the key military missions for which the Department of Defense will prepare. Under the new Strategic Guidance, the Department's performance goals (Exhibit B) remain focused on maintaining a safe, secure, and effective nuclear arsenal and working with international partners to reaffirm, periodically, their commitments to extended deterrence (**Strategic Objective 3.1.1F2A**).

With the diffusion of destructive technology, extremists have the potential to pose catastrophic threats that could directly affect our security and prosperity. Our FY 2014 Annual Performance Plan carries over four performance goals from FY 2013 (Exhibit B) focused on maintaining consequence management response times to significant or catastrophic events (**Strategic Objective 3.2-1F2B**). One additional performance goal to counter WMD threats increases the number of DoD labs equipped to work with dangerous pathogens (**Strategic Objective 3.3-1F2C**). Terrorist access to even simple nuclear devices poses the prospect of devastating consequences for the United States. Accordingly, the DoD will continue to enhance its capabilities to conduct effective operations to counter the proliferation of WMD.

Our planning envisages forces that are able to fully deny a capable state's aggression across all domains – including cyberspace (**Strategic Objective 3.4-1X1**). Modern armed forces cannot conduct high-tempo, effective operations without reliable information and communication networks and assured access to cyberspace and space. Today, space systems and their supporting infrastructure face a range of threats that may degrade, disrupt, or destroy assets. State and non-state actors possess the capability and intent to conduct cyber espionage and, potentially, cyber attacks on the United States, with possible severe effects on both our military operations and our homeland. Accordingly, the DoD will continue to work with domestic and

international allies and partners and invest in advanced capabilities to defend its networks, operational capability, and resiliency in cyberspace and space.

The DoD is facing an increasingly persistent and motivated cyber threat. DoD networks and systems, which adhere to DoD policies and standards and that are configured properly, will significantly reduce the attack space and minimize the advances that an adversary can make. This results in more secure networks and systems which reduce the risk to missions that depend on the Non-secure Internet Protocol Network (NIPRNet). Command Cyber Readiness Inspection (CCRIs) performance goals (Exhibit B) are designed to inspect for proper configuration, minimize vulnerabilities, and align with the DoD Security Technical Implementation Guides (STIGs). By ensuring compliance to policies through CCRIs, the DoD can better harden DoD networks and systems, which will improve the DoD's cyber defense posture.

Finally, in adjusting our strategy and attendant force size, the Department will make every effort to maintain an adequate industrial base and our investment in science and technology (**Strategic Objective 3.5-2D**). Consequently, the Department's FY 2014 Performance Plan (Exhibit B) continues management focus on concepts of operations that provide significant pay-offs to U.S. warfighting capabilities. To that end, the Department will be prudent with its “seed corn”, balancing reductions with the imperative to sustain key streams of innovation.

STRATEGIC GOAL 4: PRESERVE AND ENHANCE THE ALL-VOLUNTEER FORCE.

- 4.1-2M: Provide top-quality physical and psychological care to wounded warriors, while reducing growth in overall healthcare costs.**
- 4.2-2P: Ensure the Department has the right workforce size and mix, manage the deployment tempo with greater predictability, and ensure the long-term viability of the Reserve Component.**
- 4.3-2R: Better prepare and support families during the stress of multiple deployments.**
- 4.4-2T: Train the Total Defense Workforce with the right competencies.**

As the DoD prepares for a 21st century defense, we will keep faith with our troops, military families and veterans who have borne the burden of a decade of war and who make our military the best in the world. In addition, the Department's latest Strategic Guidance, released January 5, 2012, calls for reducing the rate of growth in manpower compensation and healthcare costs.

Apart from prevailing in current conflicts, caring for our wounded is our highest priority and carries over, as one of the Department's Agency Priority Goals (APGs) from FY 2012. Consequently, the Department's FY 2014 Annual Performance Plan includes several goals (Exhibit B) that are designed to provide top-quality care to our wounded that reflects their service and sacrifice (**Strategic Objective 4.1-2M**). Our wounded, ill, or injured Service members deserve every opportunity to return to active duty following their recovery, or to make a seamless transition to veteran status if they cannot be returned to duty. As our newest veterans rejoin civilian life, we continue to have a moral obligation – as a government and as a Nation – to give our veterans the care, benefits, and the job opportunities they deserve. Our FY 2014 Annual Performance Plan includes goals that will ensure we meet these obligations. More than 46,000 men and women have been wounded. As the Department reduces the size of the force, we will do so in a way that respects these sacrifices. This means, among other things, taking concrete steps to facilitate the transition of those who will leave the service. These include supporting programs to help veterans translate their military skills for the civilian workforce and aid in their search for jobs.

Despite pressures of war, the Department continues to meet its recruiting and retention goals. Our recruiting efforts are long-term investments that can yield generational gains (**Strategic Objective 4.2-2P**). The Department must continue developing innovative programs to attract qualified young men and women into the armed forces and to retain them. During the past decade, the men and women who comprise the All-Volunteer Force have shown versatility, adaptability, and commitment, enduring the constant stress and strain of fighting two overlapping conflicts. They have endured prolonged and repeated deployments. As the Department reduces the size of the force, our FY 2014 Annual Performance Plan will continue management attention on maintaining military strength goals and complying with the time Service members are deployed (or mobilized) in support of combat operations versus time at home (Exhibit B). In addition, we have a critical and enduring obligation to support military families during the stress of multiple deployments (**Strategic Objective 4.3-2R**). Consequently, the FY 2014 Annual Performance Plan continues management focus on the quality of military housing and DoD schools and reflects an aggressive goal for employing 100,000 military spouses by FY 2017. This spousal employment goal is in response to the President's direction for a comprehensive Federal approach to supporting military families.

To ensure mission success, the DoD will manage the force in ways that protect its ability to regenerate capabilities and maintain intellectual capital. We are determined to maintain a ready and capable force, even as we reduce our overall capacity. We will resist the temptation to sacrifice readiness in order to retain force structure and will rebuild readiness in areas that, by necessity, were deemphasized over the past decade. The health and quality of the All-Volunteer Force will continue to require well-trained and properly-equipped men and women (**Strategic Objective 4.4-2T**). Our FY 2014 Annual Performance Plans places particular emphasis on training certification goals associated with language proficiency, advanced interrogation skills, DoD acquisition, and information assurance.

STRATEGIC GOAL 5: REFORM AND FIND FURTHER EFFICIENCIES IN THE BUSINESS AND SUPPORT FUNCTIONS OF THE DEFENSE ENTERPRISE.

- 5.1-2A: Increase use of renewable energy and reduce energy demand at DoD installations.**
- 5.2-2C: Protect critical DoD infrastructure and partner with other critical infrastructure owners in government and the private sector to increase mission assurance.**
- 5.3-2E: Improve acquisition processes, from requirements definition to the execution phase, to acquire military-unique and commercial items.**
- 5.4.2L: Provide more effective and efficient logistical support to forces abroad.**
- 5.5U/V: Improve financial management and increase efficiencies in headquarters and administrative functions, support activities, and other overhead accounts.**

The 2010 QDR directed that the Department reform its institutions and processes to better support the needs of the warfighter. Similar direction is included in the Department's latest Strategic Guidance, released January 5, 2012. Specifically, this updated guidance calls for finding further efficiencies in overhead, headquarters, business practices, and other support activities.

The Department's FY 2014 Annual Performance Plan goals (Exhibit B) show that the DoD is focused on maintaining its facilities, while steadily improving its energy utilization (Strategic Objective 5.1-2A). However, other funding priorities have often limited the Department's ability to adequately budget for energy efficiency improvements and renewable energy projects. Climate change and energy are expected to play significant roles in the future security environment. The Department is developing policies and plans to manage the effects of climate change on its operating environment, missions, and facilities. The Department already performs

environmental stewardship at hundreds of DoD installations throughout the United States and is working to meet resource efficiency and sustainability goals. In addition, the DoD will continue incorporating geostrategic and operational energy considerations into force planning, requirements development, and acquisition processes.

Information assurance (**Strategic Objective 5.2-2C**) is a critical element of the Department's FY 2014 Annual Performance Plan. Performance goals at Exhibit B are focused on maintaining information technology system certification and streamlining the number of DoD data centers to optimize network efficiency, generate overhead savings, and promote more secure information sharing.

The DoD has demonstrated sustained leadership to address contract management issues through, for example, the Better Buying Power initiative (**Strategic Objective 5.3-2E**). In addition, the DoD has made numerous changes to its approach for managing the acquisition of services, which accounted for more than 50 percent of the DoD's contract obligations in fiscal year 2012. Exhibit B shows that the Department plans to continue its efforts, in FY 2014 and beyond, to increase competition in the procurement of goods and services, to increase its percentage of certified acquisition professionals, and to support Small Business contracting goals.

With the prospect of slowly growing or flat defense budgets, the DoD must get better returns on its weapon system investments and find ways to deliver capability to the warfighter for less than it has in the past. The Department's FY 2014 Annual Performance Plan goals (Exhibit B) reflects the DoD's ongoing commitment to contain weapon system acquisition program cycle time and cost by assessing the root causes of weapon system acquisition outcomes and monitoring the effectiveness of its acquisition policies. As part of this effort, the DoD Office of Performance Assessment and Root Cause Analysis (PARCA) is examining a wide range of acquisition-related information from the past 40 years (such as contract type, program manager tenure, and stability of key performance requirements) to determine if there is any statistical correlation between these factors and good or poor acquisition outcomes.

The Department is spending billions of dollars each year to acquire modern systems and reports an inventory that includes about 2,200 business systems. FY 2014 performance goals (Exhibit B) focus management attention on the number of Major Automated Information System (MAIS) "significant" and "critical" cost and/or schedule breaches associated with information technology investments. The Department released new investment review and system certification guidance in June 2012 that is expected to improve transparency in future business-related investments.

In the area of DoD supply chain management (**Strategic Objective 5.4-2L**), the Department's FY 2014 Annual Performance Plan carries over performance goals for reducing on-hand and on-order excess inventory and customer wait time goals for each Military Service (Exhibit B). The Department has developed and is implementing a congressionally mandated plan for improving inventory management that runs through FY 2015. This plan includes a strategy for improving asset tracking and in-transit visibility and implementing enterprise-wide measures of efficiency and effectiveness. Over time, implementation of planned activities could enable the DoD to demonstrate progress and achieve sustained results.

The Defense Department is responsible for more than half of the federal government's discretionary spending and remains one of the few federal entities that cannot accurately account for its spending or assets (**Strategic Objective 5.5-2U**). To the extent that current budget constraints and fiscal pressures continue, the reliability of DoD financial information and ability to maintain effective accountability for its resources will be increasingly important to the federal government's ability to make sound resource allocation decisions. Auditable statements

are needed to facilitate decision-making, to comply with the law, and to reassure the public that we are good stewards of their funds.

On October 13, 2011, the Secretary of Defense declared improving financial information and achieving audit readiness to be a top priority. Although the Department had presented a plan for audit ready financial statements by 2017, the Secretary asked that key elements of that plan be accelerated. Consequently, the Department's FY 2014 Annual Performance Plan includes three key performance goals (Exhibit B) that advance audit readiness. The details of this acceleration are reflected in the Department's latest Financial Improvement and Audit Readiness Plan at <http://comptroller.defense.gov/>. Implementation of the FIAR strategy is an ambitious undertaking that will require the commitment of resources and efforts at all levels, in all components, and across all DoD financial and business operations. In addition, the DoD Comptroller is developing a financial management training and certification program with phased implementation targeted for completion in March 2014.

CONCLUSION





The Department's updated Strategic Guidance and supporting FY 2014 Annual Performance Plan have been shaped by America's enduring national security interests and a new fiscal environment. As we end today's wars and reshape our Armed Forces, the Joint Force will need to recalibrate its capabilities, make selective investments, and help build the capacity and competence of allied and partner forces for internal and external defense.

Our growing national debt, if not addressed, will imperil our prosperity, hurt our credibility and influence around the world, and ultimately put our national security at risk. As the Nation takes steps to get its finances in order, defense spending will be part of the solution. Achieving savings based on sound national security policy will serve our Nation's interests and will also prove more enforceable and sustainable over the long term.

The FY 2014 performance goals are based on a base budget request of \$526.6 billion. The Department must reduce the "cost of doing business." DoD performance results are expected to play a more relevant role as the Department takes steps to reduce its manpower costs and find further efficiencies in overhead, headquarters, business practices, and other support activities.

A reduction in resources will require innovation and creative solutions to building partner capacity with a renewed emphasis on a globally networked approach to deterrence and warfare. It will also require thoughtful choices regarding the location and frequency of future operations. As the Department proceeds down this path, it will continue to enhance U.S. capabilities to fight today's wars and counter future threats by actively managing and continuously evaluating how our warfighting and infrastructure operations are delivering quality and timely performance results to the American taxpayer.





Exhibit A – FY 2012 DOD-wide Performance Results by Strategic Goal and Strategic Objective

DoD STRATEGIC GOAL #1: PREVAIL IN TODAY'S WARS.		
DoD Strategic Objective 1.1-OCO: <i>Degrade the Taliban to levels manageable by the Afghan National Security Force (ANSF), while increasing the size and capability of the ANSF.</i>		
Performance Measures	Long-term Performance Goals	Annual Performance Goals
1.1.1-OCO: Percent of DoD Combatant Commanders' (CoComs) Current Operations which they report ready to execute (USD(P&R))	1.1.1-OCO: For each fiscal year, DoD Combatant Commanders (CoComs) will be ready to execute 100 percent of Current Operations.	FY08 Actual: Not available FY09 Actual: 100% FY10 Actual: 100% FY11 Actual: 100% FY12: 100% FY12 Actual: 100% 
Contributing DoD Components: USAFRICOM, USEUCOM, USCENTCOM, USPACOM, USSOUTHCOM, USNORTHCOM, USSTRATCOM, USSOCOM, and USTRANSCOM		
1.1.2-OCO: Cumulative number of Afghan National Security Force (ANSF) end strength (USD(P))	1.1.4-OCO: By FY 2012, the DoD will improve combat effectiveness by increasing the Afghan National Security Forces to 352,000.	FY08 Actual: 144,000 FY09 Actual: 184,000 FY10 Actual: 259,000 FY11 Actual: 305,600 FY12: 352,000 FY12 Actual: 352,000 
Contributing DoD Components: USCENTCOM		
DoD Strategic Objective 1.2-OCO: <i>Execute a responsible drawdown of the U.S. military presence in Iraq.</i>		
Performance Measures	Long-term Performance Goals	Annual Performance Goals
Objective satisfied in first quarter of FY 2012.		
Contributing DoD Components: USCENTCOM		
DoD STRATEGIC GOAL #2: PREVENT AND DETER CONFLICT.		
DoD Forces and Infrastructure Category 1F1: Expeditionary Forces		
DoD Strategic Objective 2.1-1F1: <i>Extend a global posture to prevail across all domains by increasing capacity in general purpose forces and by enhancing stability operations and foreign security force competency.</i>		
Performance Measures	Long-term Performance Goals	Annual Performance Goals
2.1.1-1F1: Percent of the DoD Combatant Commanders (CoComs) that are ready to execute their Core or Theater Campaign Plan missions (USD(P&R))	2.1.1-1F1: For each fiscal year, DoD Combatant Commanders (CoComs) will be ready to execute 100 percent of their Core or Theater Campaign Plan missions.	FY08 Actual: Not available FY09 Actual: 100% FY10 Actual: 100% FY11 Actual: 100% FY12: 100% FY12 Actual: 100% 
Contributing DoD Components: USAFRICOM, USEUCOM, USCENTCOM, USPACOM, USSOUTHCOM, USNORTHCOM, USSTRATCOM, USSOCOM, and USTRANSCOM		
2.1.2-1F1: Percent of the DoD Combatant Commanders' (CoComs) Contingency Plans which they report ready to execute (USD(P&R))	2.1.2-1F1: For each fiscal year, DoD Combatant Commanders (CoComs) will be ready to execute at least 80 percent of their Contingency Plans.	FY08 Actual: Not available FY09 Actual: 89% FY10 Actual: 82.1% FY11 Actual: 80% FY12: 80% FY12 Actual: 91% 

Overview – FY 2014 Defense Budget

Contributing DoD Components: USAFRICOM, USEUCOM, USCENTCOM, USPACOM, USSOUTHCOM, USNORTHCOM, USSTRATCOM, USSOCOM, and USTRANSCOM		
Performance Measures	Long-term Performance Goals	Annual Performance Goals
2.1.3-1F1: Cumulative number of Army Brigade Combat Teams (BCTs) converted to a modular design and available to meet military operational demands (USD(P&R))	2.1.3-1F1: By FY 2017, the DoD will have a maximum of 65 modular Army Brigade Combat Teams (BCTs).	FY08 Actual: 38 FY09 Actual: 46 FY10 Actual: 56 FY11 Actual: 66 FY12: 69 FY12 Actual: 69 ↑
Contributing DoD Components: Army		
2.1.4-1F1: Cumulative number of Army Multi-functional and Functional Support (MFF) brigades converted to a modular design and available to meet military operational demands (USD(P&R))	2.1.4-1F1: By FY 2013, the DoD will convert 229 Army Multi-functional and Functional Support (MFF) brigades to a modular design.	FY08 Actual: 188 FY09 Actual: 196 FY10 Actual: 202 FY11 Actual: 225 FY12: 227 FY12 Actual: 228 ↑
Contributing DoD Components: Army		
2.1.5-1F1: Cumulative number of ships in the fleet (USD(P&R))	2.1.5-1F1: By FY 2042, the DoD will increase the number of ships in the fleet to 305 for security operations.	FY08 Actual: 282 FY09 Actual: 285 FY10 Actual: 287 FY11 Actual: 284 FY12: 289 FY12 Actual: 287 ↑
Contributing DoD Components: Navy		
DoD Forces and Infrastructure Category 1F2: Homeland Defense		
DoD Strategic Objective 2.2-1F2A		
<i>Maintain a safe, secure, and effective nuclear arsenal to deter attack on the U.S. and on our allies and partners.</i>		
Performance Measures	Long-term Performance Goals	Annual Performance Goals
2.2.1-1F2A: Number of formal DoD-led meetings with international partners to reaffirm U.S. commitments to extended deterrence (USD(P))	2.2.1-1F2A: Beginning in FY 2011, the DoD will lead at least six formal meetings with international partners to reaffirm U.S. commitments to extended deterrence.	FY08 – 10 Actual: Non-applicable FY11 Actual: 11 FY12: 6 FY12 Actual: 17 ↑
Contributing DoD Components: OSD		
2.2.2-1F2A: Passing percentage rate for Defense Nuclear Surety Inspections (USD(P))	2.2.2-1F2A: Beginning in FY 2011, the DoD will maintain a passing rate of 100 percent for all regular Defense Nuclear Surety Inspections.	FY08 Actual: 71% FY09 Actual: 77% FY10 Actual: 73% FY11 Actual: 85.7% FY12: 100% FY12 Actual: 100% ↑
Contributing DoD Components: Navy, Air Force, TJS, and DTRA		
DoD Forces and Infrastructure Category 1F3: Military Space Forces		
DoD Strategic Objective 2.3-1F3:		
<i>Strengthen cooperation with allies and partners to develop and field robust, pragmatic, and cost-effective missile defense capabilities.</i>		





Overview – FY 2014 Defense Budget

Performance Measures	Long-term Performance Goals	Annual Performance Goals
2.3.1-1F3: Cumulative number of large-surface DoD combatant ships that are Ballistic Missile Defense (BMD)-capable and ready for tasking (USD(P))	2.3.1-1F3: By FY 2042, 85 large-surface DoD combatant ships will be BMD-capable and ready for tasking.	FY08 Actual: 17 FY09 Actual: 18 FY10 Actual: 20 FY11 Actual: 23 FY12: 25 1/ FY12 Actual: 25 
Contributing DoD Components: <i>Navy and MDA</i>		
DoD Forces and Infrastructure Category 1X2: Intelligence Operations		
DoD Strategic Objective 2.4-1X2: <i>Ensure sufficient Intelligence, Surveillance, and Reconnaissance (ISR) collection and analysis capacity for full spectrum operations and ensure resiliency of ISR operations.</i>		
Performance Measures	Long-term Performance Goals	Annual Performance Goals
2.4.1-1X2: Cumulative number of Predator (MQ-1) and Reaper (MQ-9) intelligence, surveillance, and reconnaissance (ISR) orbits (USD(I))	2.4.1-1X2: By FY 2017, the DoD will achieve and maintain 65 Predator (MQ-1) and Reaper (MQ-9) ISR orbits.	FY08 Actual: 29 FY09 Actual: 36 FY10 Actual: 45 FY11 Actual: 59 FY12: 56 FY12 Actual: 57 2/ 
Contributing DoD Components: <i>Air Force</i>		
DoD STRATEGIC GOAL #3: PREPARE TO DEFEAT ADVERSARIES AND SUCCEED IN A WIDE RANGE OF CONTINGENCIES.		
DoD Forces and Infrastructure Category 1F2: Homeland Defense		
DoD Strategic Objective 3.1-1F2B <i>Improve the responsiveness and flexibility of consequence management response forces.</i>		
Performance Measures	Long-term Performance Goals	Annual Performance Goals
3.1.1-1F2B: Cumulative number of Homeland Response Forces (HRFs) trained, equipped, evaluated, and validated at a reduced response time of 6-12 hours (USD(P))	3.1.1-1F2B: By FY 2012, the DoD will have and maintain ten National Guard HRFs trained, equipped, evaluated, and validated at a reduced response time of 6-12 hours to a very significant or catastrophic event.	FY08 – 10 Actual: Non-applicable FY11 Actual: 2 FY12: 10 FY12 Actual: 10 
Contributing DoD Components: <i>USPACOM, USNORTHCOM, Army, Air Force, and National Guard Bureau</i>		
3.1.2-1F2B: Cumulative number of Chemical, Biological, Radiological, Nuclear and High-Yield Explosives Enhanced Response Force Packages (CERFPs) trained, equipped, evaluated, and validated at a response time of 6-12 hours (USD(P))	3.1.2-1F2B: By FY 2012, the DoD will have and maintain 17 National Guard CERFPs trained, equipped, evaluated, and validated at a response time of 6-12 hours in order to backfill existing CERFPs that will convert to HRFs.	FY08 – 10 Actual: Non-applicable FY11 Actual: 17 FY12: 17 FY12 Actual: 17 
Contributing DoD Components: <i>USPACOM, USNORTHCOM, Army, Air Force, and National Guard Bureau</i>		
3.1.3-1F2B: Number of Defense CBRNE Response Forces (DCRFs) trained, equipped, evaluated, and certified at a response time of 24-48 hours (USD(P))	3.1.3-1F2B: By FY 2012, the DoD will have and maintain one DCRF trained, equipped, evaluated, and certified at a response time of 24 – 48 hours.	FY08 – 11 Actual: Non-applicable FY12: 1 FY12 Actual: 1
Contributing DoD Components: <i>USPACOM, USNORTHCOM, Army, Air Force, and National Guard Bureau</i>		

Overview – FY 2014 Defense Budget

Performance Measures	Long-term Performance Goals	Annual Performance Goals
3.1.4-1F2B: Number of Command and Control (C2) CBRNE Response Elements (C2CREs) trained, equipped and evaluated, as well as certified or validated as applicable at a response time of 96 hours (USD(P))	3.1.4-1F2B: By FY 2012, the DoD will have and maintain two C2CREs trained, equipped and evaluated as well as certified or validated as applicable at a response time of 96 hours.	FY08 – 11 Actual: Non-applicable FY12: 2 FY12 Actual: 2
Contributing DoD Components: <i>USPACOM, USNORTHCOM, Army, Air Force, and National Guard Bureau</i>		
DoD Strategic Objective 3.2-1F2C <i>Enhance capacity to locate, secure, or neutralize weapons of mass destruction, key materials, and related facilities.</i>		
Performance Measures	Long-term Performance Goals	Annual Performance Goals
3.2.1-1F2C: Cumulative percent of treaty-declared category 1 chemical weapons destroyed (USD(AT&L))	3.2.1-1F2C: By FY 2021, the DoD will have destroyed 100 percent of treaty-declared category 1 chemical weapons.	FY08 Actual: 49.6% FY09 Actual: 65.5% FY10 Actual: 79.8% FY11 Actual: 89.1% FY12: 89.8% FY12 Actual: 89.8% ↑
Contributing DoD Components: <i>Army</i>		
3.2.2-1F2C: Cumulative number of labs working with dangerous pathogens at risk for exploitation (USD(AT&L))	3.2.2-1F2C: By FY 2017, the DoD will have secured 66 labs working with dangerous pathogens that are considered at risk for exploitation.	FY08 Actual: 16 FY09 Actual: 19 FY10 Actual: 20 FY11 Actual: 37 FY12: 39 FY12 Actual: 44 ↑
Contributing DoD Components: <i>DTRA</i>		
DoD Strategic Objective 3.3-1F2C <i>Enhance U.S. capabilities to train, advise, and assist foreign security forces and their sustaining institutions to operate with or in lieu of U.S. forces.</i>		
Performance Measures	Long-term Performance Goals	Annual Performance Goals
New measures effective FY 2013.		
Contributing DoD Components: <i>Army, Navy, Marine Corps, and Air Force</i>		
Forces and Infrastructure Category 1X1: Operational Command & Control Systems		
DoD Strategic Objective 3.4-1X1 <i>Expand capacity to succeed against adversary states armed with anti-access capabilities and/or nuclear weapons and improve capabilities to conduct effective operations in cyberspace and space.</i> <i>*Agency Priority Goal 1: By September 30, 2013, the DoD will attain a passing score on a comprehensive cyber security inspection that assesses compliance with technical, operational, and physical security standards, on an overwhelming majority of inspected military cyberspace organizations resulting in improved hardening and cyber defense. (DoD CIO)³</i>		
Performance Measures	Long-term Performance Goals	Annual Performance Goals
3.4.1-1X1: Percent of DoD's nuclear command, control, and communications (NC3) cryptographic modernization plan completed (DoD CIO)	3.4.1-1X1: By FY 2016, the DoD will have completed 100 percent of its NC3 cryptographic modernization action plan for the most critical 25 networks.	FY08 – 10 Actual: Not available FY11 Actual: 12% FY12: 32% FY12 Actual: 32% ↑
Contributing DoD Components: <i>Army, Navy, Air Force, NSA, and DISA</i>		








Overview – FY 2014 Defense Budget

Performance Measures	Long-term Performance Goals	Annual Performance Goals
*3.4.2-1X1: Percent of inspected DoD military cyberspace organizations that attain a passing grade (score of xx percent or better) on a Command Cyber Readiness Inspection (CCRI) (DoD CIO) 3/	*3.4.2-1X1: By FY 2013, xx percent of inspected DoD military cyberspace organizations will attain a passing grade (score of xx percent or better) on a Command Cyber Readiness Inspection. 3/	FY08 – 10 Actual: Non-applicable FY11: xx% 3/ *FY12: xx% 3/ *FY12: xx% 3/ 
Contributing DoD Components: All		
DoD Forces and Infrastructure Category 2D: Science and Technology		
DoD Strategic Objective 3.5-2D: <i>Maintain a strong technical foundation within the Department's Science and Technology (S&T) program.</i>		
Performance Measures	Long-term Performance Goals	Annual Performance Goals
3.5.1-2D: Percent of completing demonstration programs transitioning each year (USD(AT&L))	3.5.1-2D: Beginning in FY 2008, the DoD will transition 30 percent of completing demonstration programs per year.	FY08 Actual: 43.1% FY09 Actual: 52.6% FY10 Actual: 61.5% FY11 Actual: 83% FY12: 30% FY12 Actual: 83% 
Contributing DoD Components: Army, Navy, Air Force, DLA, DARPA, CBDP, and OSD		
DoD STRATEGIC GOAL #4: PRESERVE AND ENHANCE THE ALL-VOLUNTEER FORCE.		
DoD Forces and Infrastructure Category 2M: Defense Health Program		
DoD Strategic Objective 4.1-2M: <i>Provide top-quality physical and psychological care to wounded warriors, while reducing growth in overall healthcare costs.</i>		
<i>*Agency Priority Goal 2: By September 30, 2013, the DoD will: 1) increase the use of Recovery Care Coordinators and ensure WII Service members have active recovery plans; 2) improve effectiveness of behavioral health programs and ensure all Service members complete quality post-deployment health screenings; and 3) accelerate the transition of WII Service members into veteran status by reducing the processing time required for disability evaluation boards. (USD(P&R))</i>		
Performance Measures	Long-term Performance Goals	Annual Performance Goals
4.1.1-2M: Average percent variance in Defense Health Program annual cost per equivalent life increase compared to average civilian sector increase (USD(P&R))	4.1.1-2M: Beginning in FY 2007, the DoD will maintain an average Defense Health Program (DHP) medical cost per equivalent life increase at or below the average healthcare premium increase in the civilian sector.	FY08 Actual: 1.1% FY09 Actual: 6.7% FY10 Actual: -1% FY11 Actual: 1.4% FY12: </=0% FY12 Actual: -6.4% 
Contributing DoD Components: Army, Navy, Air Force, and Marine Corps		
4.1.2-2M: Percentage of Armed Forces who meet Individual Medical Readiness (IMR) requirements (USD(P&R))	4.1.2-2M: By FY 2015, 85 percent of the Armed Forces will have an IMR that indicates readiness for deployment.	FY08 Actual: 67% FY09 Actual: 69% FY10 Actual: 74% FY11 Actual: 78% FY12: 82% FY12 Actual: 84% 
Contributing DoD Components: Army, Navy, Air Force, and Marine Corps		

Overview – FY 2014 Defense Budget

Performance Measures	Long-term Performance Goals	Annual Performance Goals
*4.1.3-2M: Percent of Service members who are processed through the Integrated Disability Evaluation System (IDES) within 295 days (Active) or 305 days (Reserve) (USD(P&R))	*4.1.3-2M: By FY 2014, 80 percent of Service Members will be processed through the IDES within 295 days (Active) or 305 days (Reserve) components.	FY08-11 Actual: Non-applicable *FY12: 60% *FY12 Actual: 24%
Contributing DoD Components: <i>Army, Navy, Air Force, and Marine Corps</i>		
*4.1.4-2M: Percent of wounded, ill and injured (WII) Service members who are enrolled in a Service recovery coordination program and have an established and active recovery plan administered by a DoD trained Recovery Care Coordinator (USD(P&R))	*4.1.4-2M: By FY 2012, 100 percent of wounded, ill, and injured (WII), who are enrolled in a Service recovery coordination program, will have an established and active recovery plan administered by a DoD trained Recovery Care Coordinator.	FY08 – 11 Actual: Non-applicable *FY12: 100% *FY12 Actual: 68%
Contributing DoD Components: <i>Army, Navy, Marine Corps, and Air Force</i>		
*4.1.5-2M: Percent of wounded, ill and injured (WII) Service members who are assigned to a DoD trained Recovery Care Coordinator (RCC) within 30 days of being enrolled in a Wounded Warrior Program (USD(P&R))	*4.1.5-2M: By FY 2012, 100 percent of wounded, ill, and injured (WII) Service members will be assigned to a DoD trained Recovery Care Coordinator within 30 days of being enrolled in a Wounded Warrior Program.	FY08 – 11 Actual: Non-applicable *FY12: 100% *FY12 Actual: 70%
Contributing DoD Components: <i>Army, Navy, Marine Corps, and Air Force</i>		
DoD Forces and Infrastructure Category 2P: Central Personnel Administration		
DoD Strategic Objective 4.2-2P: <i>Ensure the Department has the right workforce size and mix, manage the deployment tempo with greater predictability, and ensure the long-term viability of the Reserve Component.</i>		
Performance Measures	Long-term Performance Goals	Annual Performance Goals
4.2.1-2P: Percent variance in Active component end strength (USD(P&R))	4.2.1-2P: For each fiscal year, the DoD Active component end strength will not vary by more than three percent from the SECDEF/NDAA-prescribed end strength for that fiscal year.	FY08 Actual: 2.1% FY09: 0 – 3% FY09 Actual: 0.9% FY10 Actual: 0.4% FY11 Actual: -0.5% FY12: +/-3% FY12 Actual: -1.6% ↑
Contributing DoD Components: <i>Army, Navy, Marine Corps, and Air Force</i>		
4.2.2-2P: Percent variance in Reserve component end strength (USD(P&R))	4.2.2-2P: For each fiscal year, the DoD Reserve component end strength will not vary by more than three percent from the SECDEF/NDAA- prescribed end strength for that fiscal year.	FY08 Actual: 0% FY09: +/-3% FY09 Actual: 1% FY10 Actual: 0.6% FY11 Actual: 0.2% FY12: +/-3% FY12 Actual: -0.8% ↑
Contributing DoD Components: <i>Army, Navy, Marine Corps, and Air Force</i>		
4.2.3-2P: Percentage of the Department's active duty Army who meet the planning objectives for time deployed in support of combat operations versus time at home (USD(P&R))	4.2.3-2P: By FY 2015, 95 percent of active duty Army personnel will meet the deployment to dwell objective of 1:2.	FY08 – 10 Actual: Not available FY11 Actual: 85.7% FY12: 80% FY12 Actual: 91% ↑
Contributing DoD Components: <i>Army</i>		







Overview – FY 2014 Defense Budget

Performance Measures	Long-term Performance Goals	Annual Performance Goals
4.2.4-2P: Percentage of the Department's active duty Navy who meet the planning objectives for time deployed in support of combat operations versus time at home USD(P&R))	4.2.4-2P: By FY 2011, 95 percent of active duty Navy personnel will meet the deployment to dwell objective of 1:2.	FY08 – 10 Actual: Not available FY11 Actual: 95.6% FY12: 95% FY12 Actual: 95% 
Contributing DoD Components: Navy		
4.2.5-2P: Percentage of the Department's active duty Marines who meet the planning objectives for time deployed in support of combat operations versus time at home USD(P&R))	4.2.5-2P: By FY 2015, 95 percent of active duty Marine personnel will meet the deployment to dwell objective of 1:2.	FY08 – 10 Actual: Not available FY11 Actual: 94% FY12: 95% FY12 Actual: 96% 
Contributing DoD Components: Marine Corps		
4.2.6-2P: Percentage of the Department's active duty Air Force who meet the planning objectives for time deployed in support of combat operations versus time at home USD(P&R))	4.2.6-2P: By FY 2011, 95 percent of active duty Air Force personnel will meet the deployment to dwell objective of 1:2.	FY08 – 10 Actual: Not available FY11 Actual: 97.3% FY12: 95% FY12 Actual: 98% 
Contributing DoD Components: Air Force		
4.2.7-2P: Percent of Reserve Component (RC) Service members mobilized in the evaluation period that have dwell ratios greater than or equal to 1:5 (USD(P&R))	4.2.7-2P: By FY 2013, 80 percent of the RC Service members undergoing mobilization will have a dwell ratio of 1:5 or greater.	FY08 – 10 Actual: Not available FY11 Actual: 71.8% FY12: 71% FY12 Actual: 72.7% 
Contributing DoD Components: Army, Navy, and Air Force		
4.2.8-2P: Number of days for all external civilian hiring actions (end-to-end timeline) (USD(P&R))	4.2.8-2P: By FY 2012, the Department will improve and maintain its timeline for all external (direct hire authority, expedited hire authority, and delegated examining) civilian hiring actions to 80 days or less.	FY08 Actual: Not available FY09 Actual: 155 FY10 Actual: 116 FY11 Actual: 104 FY12: 80 FY12 Actual: 83 
Contributing DoD Components: All		
DoD Forces and Infrastructure Category 2R: Central Personnel Benefits		
DoD Strategic Objective 4.3-2R: <i>Better prepare and support families during the stress of multiple deployments.</i>		
Performance Measures	Long-term Performance Goals	Annual Performance Goals
4.3.1-2R: Percent of worldwide government-owned Family Housing inventory at good or fair (Q1-Q2) condition (USD(AT&L))	4.3.1-2R: Beginning in FY 2012, the DoD (except Navy) will maintain at least 90 percent of worldwide government-owned Family Housing inventory at good or fair (Q1-Q2) condition.	FY08 – 10 Actual: Not available FY11 Actual: 80% FY12: 81% FY12 Actual: 81.5% 
Contributing DoD Components: Army, Navy, Marine Corps, and Air Force		
4.3.2-2R: Percent of the worldwide inventory for government-owned permanent party unaccompanied housing at good or fair (Q1-Q2) condition (USD(AT&L))	4.3.2-2R: By FY 2017 the DoD (except Navy) will maintain at least 90 percent of the worldwide government-owned permanent party unaccompanied housing at good or fair (Q1-Q2) condition.	FY08 – 10 Actual: Not available FY11 Actual: 85% FY12: 85% FY12 Actual: 85% 
Contributing DoD Components: Army, Navy, Marine Corps, and Air Force		





Overview – FY 2014 Defense Budget

Performance Measures	Long-term Performance Goals	Annual Performance Goals
4.3.3-2R: Cumulative percent of Department of Defense Education Activity (DoDEA) schools that meet good or fair (Q1 or Q2) standards (USD(P&R))	4.3.3-2R: By FY 2018, 100 percent of DoDEA schools will meet the OSD acceptable standard of good or fair (Q1 or Q2) standards.	FY08 – 10 Actual: Not available FY11 Actual: 33% ↑ FY12: 35% FY12 Actual: 38%
Contributing DoD Components: <i>Army, Navy, Marine Corps, and Air Force</i>		
DoD Forces and Infrastructure Category 2T: Central Training		
DoD Strategic Objective 4.4-2T: <i>Train the Total Defense Workforce with the right competencies.</i>		
Performance Measures	Long-term Performance Goals	Annual Performance Goals
4.4.1-2T: Percent of acquisition positions filled with personnel meeting Levels II and III certification requirements (USD(AT&L))	4.4.1-2T: Beginning in FY 2007, the DoD will increase the percent of positions filled with personnel meeting Levels II and III certification requirements from the previous fiscal year.	FY08 – 10 Actual: Not available FY11 Actual: 62% ↑ FY12: 62.1% FY12 Actual: 70.1%
Contributing DoD Components: <i>All</i>		
4.4.2-2T: Percentage of Defense Language Institute (DLI) Foreign Language Center students who achieve a 2/2/1+ Defense Language Proficiency Test (DLPT) score in reading, listening, and speaking modalities (USD(P&R))	4.4.2-2T: Beginning in FY 2012, 80 percent of DLI Foreign Language Center students will achieve a 2/2/1+ score on the DLPT in the reading, listening, and speaking modalities, as measured by the Interagency Language Roundtable performance scale.	FY08 – 10 Actual: Not available FY11 Actual: 77.4% ↓ FY12: 80% FY12 Actual: 77%
Contributing DoD Components: <i>Army, Navy, Marine Corps, and Air Force</i>		
4.4.3-2T: Percent of Military Departmental information assurance positions and contract requirements filled with personnel meeting certification requirements (DoD CIO)	4.4.3-2T: By FY 2016, 95 percent of Military Departmental information assurance positions and contract requirements will be filled with personnel meeting certification requirements.	FY08 – 11 Actual: Not available FY12: 70% FY12 Actual: 78%
Contributing DoD Components: <i>Army, Navy, Marine Corps, and Air Force</i>		
4.4.4-2T: Percent of eligible DoD adjudicators that are certified (USD(I))	4.4.4-2T: Beginning in FY 2012, 90 percent of eligible (i.e., those with 24 months experience) DoD adjudicators will be certified.	FY08-09 Actual: Not available FY11 Actual: 23% ↑ FY12: 90% FY12 Actual: 97.7%
Contributing DoD Components: <i>Army, Navy, Air Force, DSS, DIA, NSA, and NGA</i>		
DoD STRATEGIC GOAL #5: REFORM THE BUSINESS AND SUPPORT FUNCTIONS OF THE DEFENSE ENTERPRISE.		
DoD Forces and Infrastructure Category 2A: Force Installations		
DoD Strategic Objective 5.1-2A: <i>Increase use of renewable energy and reduce energy demand at DoD installations.</i>		
* <i>Agency Priority Goal 3: By September 30, 2013, the DoD will: (1) improve its facility energy performance by reducing average building energy intensity by 24 percent from the 2003 baseline of 116,134 British Thermal Units (BTUs) per gross square foot, and producing or procuring renewable energy equal to 13 percent of its annual electric energy usage; and (2) improve its operational energy performance by establishing an operational energy baseline with all available data on fuel use; developing a plan for remediating data gaps; funding and implementing a comprehensive data plan; establishing and executing operational energy performance targets based on this comprehensive data for each Military Service and relevant agency. (USD(AT&L))</i>		

Overview – FY 2014 Defense Budget

Performance Measures	Long-term Performance Goals	Annual Performance Goals
5.1.1-2A: Average facilities sustainment rate (USD(AT&L))	5.1.1-2A: Beginning in FY 2013, the DoD will fund facilities sustainment at a minimum of 90 percent of the Facilities Sustainment Model (FSM) requirement, with the exception of the Navy and Air Force which will fund sustainment at a minimum of 80 percent of their FSM requirement.	FY08 Actual: 94% FY09 Actual: 81% FY10 Actual: 88% FY11 Actual: 83% 2/ FY12: 85% FY12 Actual: 85% 4/ 
Contributing DoD Components: Army, Navy, Air Force, DLA, TMA, and DoDEA		
*5.1.2-2A: Cumulative average percent reduction in building energy intensity (USD(AT&L))	5.1.2-2A: By FY 2015, DoD will reduce average building energy intensity by 30 percent from the FY 2003 baseline of 116,134 British Thermal Units (BTUs) per gross square foot.	FY08 Actual: 10.7% FY09 Actual: 9.7% FY10 Actual: 10.5% FY11 Actual: 13.3% *FY12: 21% *FY12 Actual: 17.7% 
Contributing DoD Components: Army, Navy, Air Force, DCMA, DeCA, DFAS, DIA, DLA, MDA, NGA, NSA, TMA, and WHS		
*5.1.3-2A: Percentage of renewable energy produced or procured based on DoD's annual electric energy usage (USD(AT&L))	5.1.3-2A: By FY 2025, the DoD will produce or procure renewable energy equal to 25 percent of its annual electric energy usage.	FY08 Actual: 9.8% FY09 Actual: 9.7% FY10 Actual: 10% FY11 Actual: 8.5% *FY12: 12% *FY12 Actual: 9.6% 
Contributing DoD Components: Army, Navy, Air Force, DCMA, DeCA, DFAS, DIA, DLA, MDA, NGA, NSA, TMA, and WHS		
5.1.4-2A: Million square feet (MSF) of excess or obsolete facilities eliminated (USD(AT&L))	5.1.4-2A: Between FY 2008 and FY 2013, the DoD will demolish a minimum of 62 million square feet (MSF) of excess or obsolete facilities.	FY08 Actual: 13.4 FY09 Actual: 27.2 FY10 Actual: 34.3 FY11 Actual: 41.6 FY12: 57 FY12 Actual: 55.8 
Contributing DoD Components: Army, Navy, Air Force, TMA, DoDEA, and DLA		
DoD Forces and Infrastructure Category 2C: Communications & Information Infrastructure		
DoD Strategic Objective 5.2-2C: <i>Protect critical DoD infrastructure and partner with other critical infrastructure owners in government and the private sector to increase mission assurance.</i>		
Performance Measures	Long-term Performance Goals	Annual Performance Goals
5.2.1-2C: Percent of applicable Information Technology (IT) and National Security Systems (NSS) that are Certification and Accreditation (C&A)-compliant (DoD CIO)	5.2.1-2C: By FY 2015, 99 percent of applicable Information Technology (IT) and National Security Systems (NSS) will be Certification and Accreditation (C&A)-compliant.	FY08 Actual: 95% FY09 Actual: 97% FY10 Actual: 90% FY11 Actual: 92% FY12: 90% FY12 Actual: 91.1% 
Contributing DoD Components: All		
5.2.2-2C: Cumulative percent reduction in the number of DoD data centers (DoD CIO)	5.2.2-2C: By FY 2015, the DoD will reduce its number of data centers by 45 percent (from 772 in FY 2010 to 428 in FY 2015) in order to increase data center storage utilization/capacity.	FY08 – 10 Actual: Non-applicable FY11 Actual: 7% FY12: 19% FY12 Actual: 15% 
Contributing DoD Components: All		

Overview – FY 2014 Defense Budget

Performance Measures	Long-term Performance Goals	Annual Performance Goals
5.2.3-2C: Cumulative percentage of DoD Non-secure Internet Protocol Router Network (NIPRNet) accounts with Public Key Infrastructure (PKI) cryptographic logon capability (DoD CIO)	5.2.3-2C: By FY 2014, 95 percent of DoD NPRNet accounts will have PKI cryptographic logon capability.	FY08 Actual: 57% FY09 Actual: 87% FY10 Actual: 88% FY11 Actual: 88% FY12: 88% FY12 Actual: 95% 
Contributing DoD Components: All		
5.2.4-2C: Cumulative percentage of DoD Secure Internet Protocol Router Network (SIPRNet) accounts with Public Key Infrastructure (PKI) cryptographic logon capability (DoD CIO)	5.2.4-2C: By FY 2014, 95 percent of DoD SIPRNet accounts will have PKI cryptographic logon capability.	FY08 – 10 Actual: Not available FY11 Actual: 3.2% FY12: 50% FY12 Actual: 16.5% 
Contributing DoD Components: All		
DoD Forces and Infrastructure Category 2E: Acquisition Infrastructure		
DoD Strategic Objective 5.3-2E:		
<i>Improve acquisition processes, from requirements definition to the execution phase, to acquire military-unique and commercial items.</i>		
<i>*Agency Priority Goal 4: By September 30, 2013, the DoD will improve its acquisition process by ensuring that: 100 percent of Acquisition Category (ACAT) 1 programs, going through Milestone A decision reviews, will present an affordability analysis; 100 percent of ACAT 1 programs, going through milestone decision reviews, will present a competitive strategy; the average cycle time for Major Defense Acquisition Programs (MDAPs) will not increase by more than 5 percent from the Acquisition Program Baseline; the annual number of MDAP breaches – significant or critical cost overruns, for reasons other than approved changes in quantity – will be zero; and the DOD will increase the amount of contract obligations, that are competitively awarded, to 60 percent in FY 2012 and 61 percent in FY 2013. (USD(AT&L))</i>		
Performance Measures	Long-term Performance Goals	Annual Performance Goals
*5.3.1-2E: Percentage of contract obligations that are competitively awarded (USD(AT&L))	*5.3.1-2E: Beginning in FY 2012, the DoD will increase, by one percent annually, the amount of contract obligations that are competitively awarded.	FY08 Actual: 64% FY09 Actual: 63% FY10 Actual: 62.5% FY11 Actual: 58.5% *FY12: 60% *FY12 Actual: 57.5% 
Contributing DoD Components: All		
*5.3.2-2E: Average percent increase from the Approved Program Baseline (APB) cycle time for Major Defense Acquisition Programs (MDAPs) starting in FY 2002 and after (USD(AT&L))	*5.3.2-2E: Beginning in FY 2011, the DoD will not increase by more than five percent from the Approved Program Baseline (APB) cycle time for Major Defense Acquisition Programs (MDAPs) starting in FY 2002 and after.	FY08 – 09 Actual: Not available FY10 Actual: 4.4% FY11 Actual: 4.5% *FY12: < /=5% *FY12 Actual: 6.6% 
Contributing DoD Components: Army, Navy, and Air Force		
5.3.3-2E: Percent of enterprise-level Information Technology (IT) software and hardware deployed as business services within 18 months of the capability business cases approval (DCMO)	5.3.3-2E: By FY 2016, 100 percent of enterprise level Information Technology (IT) software and hardware for business services will be deployed within 18 months of the capability business cases approval.	FY08 – 11 Actual: Non-applicable FY12: 70% FY12 Actual: 67%
Contributing DoD Components: Army, Navy, Air Force, DeCA, DCMA, DFAS, DISA, DLA, TMA, WHS, OSD, TJS, and USTRANSCOM		

Overview – FY 2014 Defense Budget

Performance Measures	Long-term Performance Goals	Annual Performance Goals
5.3.4-2E: Number of Major Automated Information System (MAIS) “significant” breaches (equal to or greater than 15 percent of Acquisition Program Baseline (APB) total cost or with schedule slippages greater than six months)) (DCMO)	5.3.4-2E: Beginning in FY 2011, the DoD will ensure that the number of MAIS “significant” breaches (equal to or greater than 15 percent of the APB total cost or with schedule slippages greater than six months) will not exceed one.	FY08 Actual: 1 FY09 Actual: 1 FY10 Actual: 1 FY11 Actual: 2 FY12: </=1 FY12 Actual: 3 ↓
Contributing DoD Components: <i>Army, Navy, Air Force, Marine Corps, DISA, DLA, and TMA</i>		
5.3.5-2E: Number of Major Automated Information System (MAIS) “critical” breaches (equal to or greater than 25 percent of Acquisition Program Baseline (APB) total cost or with schedule slippages of one year or more)) (DCMO)	5.3.5-2E: By FY 2012, the DoD will ensure that the number of MAIS “critical” breaches (equal to or greater than 25 percent of the APB total cost or with schedule slippages greater than one year) will not exceed two.	FY08 Actual: 2 FY09 Actual: 6 FY10 Actual: 2 FY11 Actual: 1 FY12: </=2 FY12 Actual: 3 ↓
Contributing DoD Components: <i>Army, Navy, Air Force, Marine Corps, DISA, DLA, and TMA</i>		
5.3.6-2E: Average rate of acquisition cost growth from the previous year for Major Defense Acquisition Programs (MDAPs) starting in FY 2002 (USD(AT&L))	5.3.6-2E: Beginning in FY 2012, the DoD will ensure that average rate of acquisition cost growth from the previous year for Major Defense Acquisition Programs (MDAPs) starting in FY 2002 does not exceed three percent.	FY08 – 10 Actual: Not available FY11 Actual: -0.2% ↑ FY12: </=3% FY12 Actual: -0.3% ↑
Contributing DoD Components: <i>Army, Navy, and Air Force</i>		
*5.3.7-2E: Number of Major Defense Acquisition Program (MDAP) breaches (equal to or greater than 15 percent of current Acquisition Program Baseline (APB) unit cost or equal or greater than 30 percent of original APB unit cost)) for reasons other than approved changes in quantity (USD(AT&L))	*5.3.7-2E: Beginning in FY 2012, the DoD will not have any MDAP breaches (significant cost overruns) for reasons other than approved changes in quantity.	FY08 – 10 Actual: Not available FY11 Actual: 3 ↑ *FY12: 0 *FY12 Actual: 1 ↑
Contributing DoD Components: <i>Army, Navy, and Air Force</i>		
5.3.8-2E: Percentage of Small Business contract obligation goals met annually (USD(AT&L))	5.3.8-2E: Beginning in FY 2012, the DoD will meet or exceed 100 percent of its contract obligation goals for the following five Small Business categories: Overall Small Business (23%), Disadvantaged (5%), Women-owned (5%), Service-disabled, Veteran-owned (3%), and Historically under-utilized (3%).	FY08 – 10 Actual: Not available FY 11 Actual: 20% FY12: 100% FY12 Actual: 20% ↔
Contributing DoD Components: <i>All</i>		
5.3.9-2E: Cumulative percent of Major Defense Acquisition Programs certified, as required by the Weapon Systems Acquisition Reform Act of 2009 (USD(AT&L))	5.3.9-2E: By FY 2012, 100 percent of Major Defense Acquisition Programs will be certified, as required by the Weapon Systems Acquisition Reform Act of 2009.	FY08-10 Actual: Non-applicable FY11 Actual: 60% ↑ FY12: 100% FY12 Actual: 84% ↑
Contributing DoD Components: <i>Army, Navy, and Air Force</i>		
*5.3.10-2E: Percentage of Acquisition Category (ACAT) I programs, going through a Milestone A decision review, that present an affordability analysis (USD(AT&L))	*5.3.10-2E: By FY 2012, 100 percent of Acquisition Category (ACAT) I programs, going through a Milestone A decision review, will present an affordability analysis.	FY08 – 11 Actual: Non-applicable *FY12: 100% *FY12 Actual: 100%
Contributing DoD Components: <i>Army, Navy, and Air Force</i>		

Overview – FY 2014 Defense Budget

Performance Measures	Long-term Performance Goals	Annual Performance Goals
*5.3.11-2E: Percentage of Acquisition Category (ACAT) I programs, going through milestone decision reviews, that present a competitive strategy (USD(AT&L))	*5.3.11-2E: By FY 2012, 100 percent of Acquisition Category (ACAT) I programs, going through milestone decision reviews, will present a competitive strategy.	FY08 – 11 Actual: Non-applicable *FY12: 100% *FY12 Actual: 100%
Contributing DoD Components: <i>Army, Navy, and Air Force</i>		
DoD Forces and Infrastructure Category 2L: Logistics		
DoD Strategic Objective 5.4-2L: <i>Provide more effective and efficient logistical support to forces abroad.</i>		
Performance Measures	Long-term Performance Goals	Annual Performance Goals
5.4.1-2L: Perfect Order Fulfillment percentage for Defense Logistics Agency (DLA)-stocked items (USD(AT&L))	5.4.1-2L: By FY 2012, the DoD will increase and maintain Perfect Order Fulfillment (POF) percentage for DLA-stocked items at or above 85.1 percent.	FY08 Actual: 73.7% FY09 Actual: 79.9% FY10 Actual: 84.8% FY11 Actual: 86.2% FY12: 85.1% FY12 Actual: 87.1% ↑
Contributing DoD Components: <i>DLA</i>		
5.4.2-2L: Army Customer Wait Time (days) (USD(AT&L))	5.4.2-2L: By FY 2013, the DoD will maintain the Army's average customer wait time at or below 15 days.	FY08 Actual: 17.4 FY09 Actual: 16.6 FY10 Actual: 16.6 FY11 Actual: 14.1 FY12: 15.5 FY12 Actual: 13.7 ↑
Contributing DoD Components: <i>Army</i>		
5.4.3-2L: Navy Customer Wait Time (days) (USD(AT&L))	5.4.3-2L: By FY 2012, the DoD will maintain the Navy's average customer wait time at or below 15 days.	FY08 Actual: 10.3 FY09 Actual: 12.6 FY10 Actual: 12.7 FY11 Actual: 11.4 FY12: 15 FY12 Actual: 12.6 ↓
Contributing DoD Components: <i>Navy</i>		
5.4.4-2L: Air Force Customer Wait Time (days) (USD(AT&L))	5.4.4-2L: By FY 2012, the DoD will maintain the Air Force's average customer wait time at or below 7.5 days.	FY08 Actual: 5.7 FY09 Actual: 6.3 FY10 Actual: 7.6 FY11 Actual: 5 FY12: 7.5 FY12 Actual: 5.5 ↓
Contributing DoD Components: <i>Air Force</i>		
5.4.5-2L: Percentage of excess on-hand secondary item inventory (USD(AT&L))	5.4.5-2L: By FY 2012, the DoD will reduce and maintain the percentage of excess on-hand secondary inventory to 10 percent of total on-hand secondary inventory.	FY08 Actual: 14.1% FY09 Actual: 11.3% FY10 Actual: 10.7% FY11 Actual: 9.2% FY12: 10% FY12 Actual: 9.9% 5/ ↓
Contributing DoD Components: <i>Army, Navy, Air Force, and DLA</i>		
5.4.6-2L: Percentage of excess on-order secondary item inventory (USD(AT&L))	5.4.6-2L: By FY 2016, the DoD will reduce and maintain the percentage of secondary item excess on-order inventory to four percent of total on order secondary item inventory.	FY08 Actual: 6.9% FY09 Actual: 8.5% FY10 Actual: 5.5% FY11 Actual: 4.8% FY12: 6.6% FY12 Actual: 5.8% 5/ ↓
Contributing DoD Components: <i>Army, Navy, Air Force, and DLA</i>		

DoD Forces and Infrastructure Category 2U/2V: Department Headquarters and other Infrastructure

DoD Strategic Objective 5.5-2U/2V:

Improve financial management and increase efficiencies in headquarters and administrative functions, support activities, and other overhead accounts.

**Agency Priority Goal 5: By September 30, 2013, the DoD will improve its audit readiness on the Statement of Budgetary Resources for Appropriations Received from 80 to 100 percent.*

Performance Measures	Long-term Performance Goals	Annual Performance Goals
5.5.1-2U: Percent of DoD's Funds Balance with Treasury validated as audit-ready (USD(C/CFO))	5.5.1-2U: By FY 2014, 100 percent of DoD's Funds Balance with Treasury will be validated as audit-ready.	FY07 Actual: 5% FY08 Actual: 5% FY09 Actual: 7% FY10 Actual: 9% FY11 Actual: 9% FY12: 9% FY12 Actual: 9%
Contributing DoD Components: All		
5.5.2-2U: Percent of DoD's general fund Statement of Budgetary Resources for material Components validated as audit-ready (USD(C/CFO))	5.5.2-2U: By FY 2014, 100 percent of DoD's general fund Statement of Budgetary Resources for material Components will be validated as audit-ready.	FY08 Actual: 10% FY09 Actual: 13% FY10 Actual: 14% FY11 Actual: 14% FY12: 14% FY12 Actual: 14%
Contributing DoD Components: All		
5.5.3-2U: Percent of DoD mission-critical assets (Real Property, Military Equipment, General Equipment, Operating Materials and Supplies, and Inventory balances) validated for existence and completeness (USD(C/CFO))	5.5.3-2U: By FY 2017, 100 percent of DoD mission-critical assets (Real Property, Military Equipment, General Equipment, Operating Materials and Supplies, and Inventory balances) will be validated as audit-ready for existence and completeness.	FY08 – 09 Actual: Not available FY10 Actual: 4% FY11 Actual: 4% FY12: 40% FY12 Actual: 41%
Contributing DoD Components: All		
*5.5.4-2U: Percent of DoD's Statement of Budgetary Resources for Appropriations Received validated as audit ready (USD(C/CFO))	*5.5.4-2U: By FY 2013, the DoD will improve its audit readiness on the Statement of Budgetary Resources for Appropriations Received to 100 percent.	FY08 Actual: 14% FY09 Actual: 19% FY10 Actual: 19% FY11 Actual: 80% *FY12: 83% *FY12 Actual: 88%
Contributing DoD Components: All		
Footnotes:		
<p>1/ The FY 2012 goal was revised downward, from 29 to 25, to measure the number of Navy ships (25) equipped with BMD capability and ready for tasking, versus measuring the number of ships funded by the Missile Defense Agency (29). This revised goal better supports the strategic objective (2.3-1F3) which is focused on fielded (vice funded) capability and ensures that DoD performance data is consistent with information published in the Navy's 30-year shipbuilding plan, approved March 28, 2012.</p> <p>2/ Not counted in trend analyses since reduced performance level is necessary for reconstitution.</p> <p>3/ Goals and results are considered sensitive and will not be made available to the public; evaluation criteria was changed, effective FY 2012.</p> <p>4/ Reflects result for Operations and Maintenance (O&M) funds only as most facilities sustainment funding is O&M.</p> <p>5/ Reflects result for March 2012, given six month delay in assessing fiscal yearend results.</p> <p>*Reflects FY 2012 – FY 2013 Agency Priority Goal.</p>		
Performance Trend Legend:		
Optimum performance (100%):	Stable performance:	
Improving performance:	Declining performance:	

Exhibit B – FY 2013 Updated – FY 2014 DOD-wide Performance Goals by Strategic Goal and Strategic Objective

DoD STRATEGIC GOAL #1: PREVENT AND DETER CONFLICT.		
DoD Forces and Infrastructure Category 1F1: Expeditionary Forces		
New DoD Strategic Objective 1.1-1F1:		
<i>Ensure that we can quickly confront and defeat aggression from any adversary – anytime, anywhere.</i>		
Performance Measures	Long-term Performance Goals	Annual Performance Goals
1.1.1-1F1: Percent of the DoD Combatant Commanders (CoComs) that are ready to execute their Core or Theater Campaign Plan missions (USD(P&R))	1.1.1-1F1: For each fiscal year, DoD Combatant Commanders (CoComs) will be ready to execute 100 percent of their Core or Theater Campaign Plan missions.	FY10 Actual: 100% FY11 Actual: 100% FY12 Actual: 100% FY13: 100% FY14: 100%
Contributing DoD Components: USAFRICOM, USEUCOM, USCENTCOM, USPACOM, USSOUTHCOM, USNORTHCOM, USSTRATCOM, USSOCOM, and USTRANSCOM		
1.1.2-1F1: Percent of the DoD Combatant Commanders' (CoComs) Contingency Plans which they report ready to execute (USD(P&R))	1.1.2-1F1: For each fiscal year, DoD Combatant Commanders (CoComs) will be ready to execute at least 80 percent of their Contingency Plans.	FY10 Actual: 82.1% FY11 Actual: 80% FY12 Actual: 91% FY13: 80% FY14: =/>80%
Contributing DoD Components: USAFRICOM, USEUCOM, USCENTCOM, USPACOM, USSOUTHCOM, USNORTHCOM, USSTRATCOM, USSOCOM, and USTRANSCOM		
1.1.3-1F1: Cumulative percent of Army Brigade Combat Teams (BCTs) converted to a modular design and available to meet military operational demands (USD(P&R))	1.1.3-1F1: By FY 2014, 100 percent of Army Brigade Combat Teams (BCTs) will have converted to a modular design and be available to meet military operational demands.	FY10-11 Actual: Non-applicable FY13: 99% 1/ FY14: 100%
Contributing DoD Components: Army		
1.1.4-1F1: Cumulative number of Army Multi-functional and Functional Support (MFF) brigades converted to a modular design and available to meet military operational demands (USD(P&R))	1.1.4-1F1: By FY 2013, the DoD will convert 229 Army Multi-functional and Functional Support (MFF) brigades to a modular design.	FY10 Actual: 202 FY11 Actual: 225 FY12 Actual: 228 FY13: 229 FY14: Retired; achieved end state
Contributing DoD Components: Army		
1.1.5-1F1: Cumulative number of ships in the fleet (USD(P&R))	1.1.5-1F1: By FY 2043, the DoD will increase the number of ships in the fleet to 305 for security operations.	FY10 Actual: 287 FY11 Actual: 284 FY12 Actual: 287 FY13: 285 2/ FY14: 285
Contributing DoD Components: Navy		
DoD Strategic Objective 1.2-1F1		
<i>Enhance U.S. capabilities to train, advise, and assist foreign security forces and their sustaining institutions to operate with or in lieu of U.S. forces.</i>		
Performance Measures	Long-term Performance Goals	Annual Performance Goals
1.2.1-1F1: Average number of trained or deployed civilian expeditionary ministerial-level advisors (USD(P))	1.2.1-1F1: By FY 2014, the DoD will maintain an annual average of 100 civilian expeditionary advisors to provide ministerial-level training and advice to partner nations.	FY10 Actual: 17 FY11 Actual: 45 FY12 Actual: 60 FY13: 75 FY14: 100
Contributing DoD Components: Army, Navy, Marine Corps, Air Force, DSCA, and OSD		

Overview – FY 2014 Defense Budget

Performance Measures	Long-term Performance Goals	Annual Performance Goals
1.2.2-1F1: Average number of countries with active Defense Institution Reform Initiative (DIRI) programs (USD(P))	1.2.2-1F1: By FY 2015, the DoD will expand its Defense Institution Reform Initiative (DIRI) program to include 30 countries.	FY10 Actual: Non-applicable FY11 Actual: 17 FY12 Actual: 22 FY13: 26 FY14: 28
Contributing DoD Components: <i>Army, Navy, Marine Corps, and Air Force</i>		
1.2.3-1F1: Percentage of general purpose force (GPF) deployed to support CoCom security force assistance requirements that have received focused SFA training. USD(P&R))	1.2.3-1F1: Annually, 95 percent of GPF units/teams deployed to support CoCom SFA requirements will have received focused SFA training.	FY10–11 Actual: Non-applicable FY12: Not available FY13: 95% FY14: 95%
Contributing DoD Components: <i>Army, Navy, Marine Corps, and Air Force</i>		
New DoD Strategic Objective 1.3-1F1 <i>Rebalance our global posture and presence to emphasize the Asia-Pacific region and maintain focus on the Middle East.</i>		
Performance Measures	Long-term Performance Goals	Annual Performance Goals
Measures developed by May 15, 2013. (USD(P))		
New DoD Strategic Objective 1.4-1F1 <i>Build innovative partnerships and strengthen key alliances and partnerships elsewhere in the world.</i>		
Performance Measures	Long-term Performance Goals	Annual Performance Goals
Measures developed by May 15, 2013. (USD(P))		
DoD Forces and Infrastructure Category 1F3: Military Space Forces		
DoD Strategic Objective 1.5-1F3: <i>Strengthen cooperation with allies and partners to develop and field robust, pragmatic, and cost-effective missile defense capabilities.</i>		
Performance Measures	Long-term Performance Goals	Annual Performance Goals
1.5.1-1F3: Cumulative number of large- surface DoD combatant ships that are Ballistic Missile Defense (BMD)-capable and ready for tasking (USD(P))	1.5.1-1F3: By FY 2042, 85 large-surface DoD combatant ships will be BMD-capable and ready for tasking.	FY10 Actual: 20 FY11 Actual: 24 FY12 Actual: 25 3/ FY13: 26 3/ FY14: 28
Contributing DoD Components: <i>Navy and MDA</i>		
1.5.2-1F3: Cumulative number of Standard Missile - Model 3 (SM-3) Interceptors (all variants) delivered (USD(AT&L))	1.5.2-1F3: By FY 2017, the DoD will have delivered 350 SM-3 Interceptors (all variants) to counter aerial threats.	FY10 Actual: 88 FY11 Actual: 108 FY12 Actual: 129 FY13: 138 FY14: 189
Contributing DoD Components: <i>MDA</i>		
1.5.3-1F3: Cumulative number of Army- Navy/Transportable Radar Surveillance – Model 2 (AN/TPY-2) delivered (USD(AT&L))	1.5.3-1F3: By FY 2017, the DoD will have delivered 11 AN/TPY-2 Radars to detect aerial threats.	FY10 Actual: 7 FY11 Actual: 7 FY12 Actual: 7 FY13: 8 FY14: 10
Contributing DoD Components: <i>MDA</i>		

Overview – FY 2014 Defense Budget

DoD Forces and Infrastructure Category 1X2: Intelligence Operations		
DoD Strategic Objective 1.6-1X2: <i>Ensure sufficient Intelligence, Surveillance, and Reconnaissance (ISR) collection and analysis capacity for full spectrum operations and ensure resiliency of ISR operations.</i>		
Performance Measures	Long-term Performance Goals	Annual Performance Goals
1.6.1-1X2: Cumulative number of Predator (MQ-1) and Reaper (MQ-9) intelligence, surveillance, and reconnaissance (ISR) orbits (USD(I))	1.6.1-1X2: During FY 2014, the DoD will achieve and maintain 65 Predator (MQ-1) and Reaper (MQ-9) ISR orbits.	FY10 Actual: 45 FY11 Actual: 59 FY12 Actual: 57 FY13: 61 4/ FY14: 65
Contributing DoD Components: <i>Air Force</i>		
1.6.2-1X2: Percent of known DoD in-transit contingents receiving Force Protection Detachment (FPD) support (USD(I))	1.6.2-1X2: By FY 2015, 90 percent of known DoD in-transit contingents will receive Force Protection Detachment (FPD) support.	FY10-13 Actual: Non-applicable FY14: 80%
Contributing DoD Components: <i>Army, Navy, and Air Force</i>		
DoD STRATEGIC GOAL #2: PREVAIL IN TODAY'S WARS.		
New DoD Strategic Objective 2.1-OCO: <i>Transition security responsibilities to the Afghan National Security Force (ANSF) and reset DoD forces and equipment.</i>		
Performance Measures	Long-term Performance Goals	Annual Performance Goals
2.1.1-OCO: Percent of DoD Combatant Commanders' (CoComs) Current Operations which they report ready to execute (USD(P&R))	2.1.1-OCO: For each fiscal year, DoD Combatant Commanders (CoComs) will be ready to execute 100 percent of Current Operations.	FY10 Actual: 100% FY11 Actual: 100% FY12 Actual: 100% FY13: 100% FY14: 100%
Contributing DoD Components: <i>USAFRICOM, USEUCOM, USCENTCOM, USPACOM, USSOUTHCOM, USNORTHCOM, USSTRATCOM, USSOCOM, and USTRANSCOM</i>		
2.1.2-OCO: Average annual military strength in Afghanistan (USD(P))	2.1.2-OCO: For FY 2014, the DoD will maintain an average annual military strength in Afghanistan of not more than xx,xxx. 5/	FY10-12 Actual: Not available FY13: 67,500 FY14: 5/
Contributing DoD Components: <i>USAFRICOM, USEUCOM, USCENTCOM, USPACOM, USSOUTHCOM, USNORTHCOM, USSTRATCOM, USSOCOM, and USTRANSCOM</i>		
2.1.3-OCO: Average annual military strength providing theater support (USD(P))	2.1.3-OCO: For FY 2014, the DoD will maintain an average annual military strength of not more than xx,xxx for theater support. 5/	FY10-12 Actual: Not available FY13: 49,199 FY14: 5/
Contributing DoD Components: <i>USAFRICOM, USEUCOM, USCENTCOM, USPACOM, USSOUTHCOM, USNORTHCOM, USSTRATCOM, USSOCOM, and USTRANSCOM</i>		
DoD STRATEGIC GOAL #3: PREPARE TO DEFEAT ADVERSARIES AND SUCCEED IN A WIDE RANGE OF CONTINGENCIES.		
DoD Forces and Infrastructure Category 1F2: Homeland Defense		
DoD Strategic Objective 3.1-1F2A <i>Maintain a safe, secure, and effective nuclear arsenal to deter attack on the U.S. and on our allies and partners.</i>		

Overview – FY 2014 Defense Budget

Performance Measures	Long-term Performance Goals	Annual Performance Goals
3.1.1-1F2A: Number of formal DoD-led meetings with international partners to reaffirm U.S. commitments to extended deterrence (USD(P))	3.1.1-1F2A: Annually, the DoD will lead at least six formal meetings with international partners to reaffirm U.S. commitments to extended deterrence.	FY10 Actual: Non-applicable FY11 Actual: 11 FY12 Actual: 17 FY13: 6 FY14: 6
Contributing DoD Components: <i>OSD</i>		
3.1.2-1F2A: Passing percentage rate for Defense Nuclear Surety Inspections (USD(P))	3.1.2-1F2A: The DoD will maintain a passing rate of 100 percent for all regular Defense Nuclear Surety Inspections.	FY10 Actual: 73% FY11 Actual: 85.7% FY12 Actual: 100% FY13: 100% FY14: 100%
Contributing DoD Components: <i>Navy, Air Force, TJS, and DTRA</i>		
DoD Forces and Infrastructure Category 1F2: Homeland Defense		
DoD Strategic Objective 3.2-1F2B		
<i>Improve the responsiveness and flexibility of consequence management response forces.</i>		
Performance Measures	Long-term Performance Goals	Annual Performance Goals
3.2.1-1F2B: Cumulative number of Homeland Response Forces (HRFs) trained, equipped, evaluated, and validated at a reduced response time of 6-12 hours (USD(P))	3.2.1-1F2B: The DoD will have and maintain ten National Guard HRFs trained, equipped, evaluated, and validated at a reduced response time of 6-12 hours to a very significant or catastrophic event.	FY10 Actual: Non-applicable FY11 Actual: 2 FY12 Actual: 10 FY13: 10 FY14: 10
Contributing DoD Components: <i>USPACOM, USNORTHCOM, Army, Air Force, and National Guard Bureau</i>		
3.2.2-1F2B: Cumulative number of Chemical, Biological, Radiological, Nuclear and High-Yield Explosives Enhanced Response Force Packages (CERFPs) trained, equipped, evaluated, and validated at a response time of 6-12 hours (USD(P))	3.2.2-1F2B: The DoD will have and maintain 17 National Guard CERFPs trained, equipped, evaluated, and validated at a response time of 6-12 hours in order to backfill existing CERFPs that will convert to HRFs.	FY10 Actual: Non-applicable FY11 Actual: 17 FY12 Actual: 17 FY13: 17 FY14: 17
Contributing DoD Components: <i>USPACOM, USNORTHCOM, Army, Air Force, and National Guard Bureau</i>		
3.2.3-1F2B: Number of Defense CBRNE Response Forces (DCRFs) trained, equipped, evaluated, and certified at a response time of 24-48 hours (USD(P))	3.2.3-1F2B: The DoD will have and maintain one DCRF trained, equipped, evaluated, and certified at a response time of 24 – 48 hours.	FY10-11 Actual: Non-applicable FY12 Actual: 1 FY13: 1 FY14: 1
Contributing DoD Components: <i>USPACOM, USNORTHCOM, Army, Air Force, and National Guard Bureau</i>		
3.2.4-1F2B: Number of Command and Control (C2) CBRNE Response Elements (C2CREs) trained, equipped and evaluated, as well as certified or validated as applicable at a response time of 96 hours (USD(P))	3.2.4-1F2B: The DoD will have and maintain two C2CREs trained, equipped and evaluated as well as certified or validated as applicable at a response time of 96 hours.	FY10-11 Actual: Non-applicable FY12 Actual: 2 FY13: 2 FY14: 2
Contributing DoD Components: <i>USPACOM, USNORTHCOM, Army, Air Force, and National Guard Bureau</i>		
DoD Strategic Objective 3.3-1F2C		
<i>Enhance capacity to locate, secure, or neutralize weapons of mass destruction, key materials, and related facilities.</i>		

Overview – FY 2014 Defense Budget

Performance Measures	Long-term Performance Goals	Annual Performance Goals
3.3.1-1F2C: Cumulative number of labs working with dangerous pathogens at risk for exploitation (USD(AT&L))	3.3.1-1F2C: By FY 2017, the DoD will have secured 82 labs working with dangerous pathogens that are considered at risk for exploitation.	FY10 Actual: 20 FY11 Actual: 37 FY12 Actual: 44 FY13: 45 FY14: 53
Contributing DoD Components: <i>DTRA</i>		
Forces and Infrastructure Category 1X1: Operational Command & Control Systems		
DoD Strategic Objective 3.4-1X1		
<i>Expand capacity to succeed against adversary states armed with anti-access capabilities and/or nuclear weapons and improve capabilities to conduct effective operations in cyberspace and space.</i>		
<i>*Agency Priority Goal 1: By September 30, 2013, the DoD will attain a passing score on a comprehensive cyber security inspection that assesses compliance with technical, operational, and physical security standards, on an overwhelming majority of inspected military cyberspace organizations resulting in improved hardening and cyber defense. (DoD CIO) ^{6/}</i>		
Performance Measures	Long-term Performance Goals	Annual Performance Goals
3.4.1-1X1: Percent of DoD's nuclear command, control, and communications (NC3) cryptographic modernization plan completed (DoD CIO)	3.4.1-1X1: By FY 2016, the DoD will have completed 100 percent of its NC3 cryptographic modernization action plan for the most critical 25 networks.	FY10 Actual: Not available FY11 Actual: 12% FY12 Actual: 32% FY13: 44% FY14: 56%
Contributing DoD Components: <i>Army, Navy, Air Force, NSA, and DISA</i>		
*3.4.2-1X1: Percent of inspected DoD military cyberspace organizations that attain a passing grade (score of xx percent or better) on a Command Cyber Readiness Inspection (CCRI) 6/ (DoD CIO)	*3.4.2-1X1: By FY 2013, xx percent of inspected DoD military cyberspace organizations will attain a passing grade (score of xx percent or better) on a Command Cyber Readiness Inspection. 6/	FY10 Actual: Non-applicable *FY12: xx% 6// *FY13: xx% 6/ FY14: xx% 6/
Contributing DoD Components: <i>All</i>		
DoD Forces and Infrastructure Category 2D: Science and Technology		
DoD Strategic Objective 3.5-2D:		
<i>Maintain a strong technical foundation within the Department's Science and Technology (S&T) program.</i>		
Performance Measures	Long-term Performance Goals	Annual Performance Goals
3.5.1-2D: Percent of completing demonstration programs transitioning each year (USD(AT&L))	3.5.1-2D: Beginning in FY 2014, the DoD will transition 40 percent of completing demonstration programs per year.	FY10 Actual: 61.5% FY11 Actual: 83% FY12 Actual: 83% FY13: 30% FY14: 40%
Contributing DoD Components: <i>Army, Navy, Air Force, DLA, DARPA, CBDP, and OSD</i>		

DoD STRATEGIC GOAL #4: PRESERVE AND ENHANCE THE ALL-VOLUNTEER FORCE.

DoD Forces and Infrastructure Category 2M: Defense Health Program

DoD Strategic Objective 4.1-2M:

Provide top-quality physical and psychological care to wounded warriors, while reducing growth in overall healthcare costs.

**Agency Priority Goal 2: By September 30, 2013, the DoD will: 1) increase the use of Recovery Care Coordinators and ensure WII Service members have active recovery plans; 2) improve effectiveness of behavioral health programs and ensure all Service members complete quality post-deployment health screenings; and 3) accelerate the transition of WII Service members into veteran status by reducing the processing time required for disability evaluation boards. (USD(P&R))*

Performance Measures	Long-term Performance Goals	Annual Performance Goals
4.1.1-2M: Average percent variance in Defense Health Program annual cost per equivalent life increase compared to average civilian sector increase (USD(P&R))	4.1.1-2M: The DoD will maintain an average Defense Health Program (DHP) medical cost per equivalent life increase at or below the average healthcare premium increase in the civilian sector.	FY10 Actual: -1% FY11 Actual: 1.4% FY12 Actual: -6.4% FY13: </= 0% FY14: </= 0%
Contributing DoD Components: <i>Army, Navy, Air Force, and Marine Corps</i>		
4.1.2-2M: Percentage of Armed Forces who meet Individual Medical Readiness (IMR) requirements (USD(P&R))	4.1.2-2M: By FY 2015, 85 percent of the Armed Forces will have an IMR that indicates readiness for deployment.	FY10 Actual: 74% FY11 Actual: 78% FY12 Actual: 84% FY13: 82% FY14: 82%
Contributing DoD Components: <i>Army, Navy, Air Force, and Marine Corps</i>		
*4.1.3-2M: Percent of Service members who are processed through the Integrated Disability Evaluation System (IDES) within 295 days (Active) or 305 days (Reserve) (USD(P&R))	*4.1.3-2M: By FY 2014, 80 percent of Service Members will be processed through the IDES within 295 days (Active) or 305 days (Reserve) components.	FY10-11 Actual: Non-applicable *FY12 Actual: 24% *FY13: 70% FY14: 80%
Contributing DoD Components: <i>Army, Navy, Air Force, and Marine Corps</i>		
*4.1.4-2M: Percent of wounded, ill and injured (WII) Service members who are enrolled in a Service recovery coordination program and have an established and active recovery plan administered by a DoD trained Recovery Care Coordinator (USD(P&R))	*4.1.4-2M: Assure that 100 percent of wounded, ill, and injured (WII), who are enrolled in a Service recovery coordination program, will have an established and active recovery plan administered by a DoD trained Recovery Care Coordinator.	FY10 Actual: Non-applicable *FY12 Actual: 68% *FY13: 100% FY14: 100%
Contributing DoD Components: <i>Army, Navy, Marine Corps, and Air Force</i>		
*4.1.5-2M: Percent of wounded, ill and injured (WII) Service members who are assigned to a DoD trained Recovery Care Coordinator (RCC) within 30 days of being enrolled in a Wounded Warrior Program (USD(P&R))	*4.1.5-2M: Assure that 100 percent of wounded, ill, and injured (WII) Service members will be assigned to a DoD trained Recovery Care Coordinator within 30 days of being enrolled in a Wounded Warrior Program.	FY10 Actual: Non-applicable *FY12: 70% *FY13: 100% FY14: 100%
Contributing DoD Components: <i>Army, Navy, Marine Corps, and Air Force</i>		

Overview – FY 2014 Defense Budget

Performance Measures	Long-term Performance Goals	Annual Performance Goals
*4.1.6-2M: Percentage of Psychological Health Programs that have been reviewed	*4.1.6-2M: By September 30, 2013, 100 percent of Psychological Health programs will be reviewed for measures of effectiveness to identify programs producing superior results, those that are ineffective, and those that need to establish measures.	FY10-12 Actual: Non-applicable *FY13: 100% FY14: Deleted; achieved end state
Contributing DoD Components: Army, Navy, Marine Corps, and Air Force		
*4.1.7-2M: Percentage of Armed Services that have transitioned to a more comprehensive post-deployment health assessment	*4.1.7-2M: By September 30, 2013, 100 percent of the five Armed Services will have transitioned to a more comprehensive post-deployment health assessment.	FY10-12 Actual: Non-applicable *FY13: 100% FY14: Deleted; achieved end state
Contributing DoD Components: Army, Navy, Marine Corps, Air Force, and U.S. Coast Guard		
DoD Forces and Infrastructure Category 2P: Central Personnel Administration		
DoD Strategic Objective 4.2-2P: <i>Ensure the Department has the right workforce size and mix, manage the deployment tempo with greater predictability, and ensure the long-term viability of the Reserve Component.</i>		
Performance Measures	Long-term Performance Goals	Annual Performance Goals
4.2.1-2P: Percent variance in Active component end strength (USD(P&R))	4.2.1-2P: For each fiscal year, the DoD Active component end strength will not vary by more than three percent from the SECDEF/NDAA-prescribed end strength for that fiscal year.	FY10 Actual: 0.4% FY11 Actual: -0.5% FY12 Actual: -1.6% FY13: +/-3% FY14: +/-3%
Contributing DoD Components: Army, Navy, Marine Corps, and Air Force		
4.2.2-2P: Percent variance in Reserve component end strength (USD(P&R))	4.2.2-2P: For each fiscal year, the DoD Reserve component end strength will not vary by more than three percent from the SECDEF/NDAA-prescribed end strength for that fiscal year.	FY10 Actual: 0.6% FY11 Actual: 0.2% FY12 Actual: -0.8% FY13: +/-3% FY14: +/-3%
Contributing DoD Components: Army, Navy, Marine Corps, and Air Force		
4.2.3-2P: Percentage of the Department's active duty Army who meet the planning objectives for time deployed in support of combat operations versus time at home USD(P&R))	4.2.3-2P: By FY 2015, 95 percent of active duty Army personnel will meet the deployment to dwell objective of 1:2.	FY10 Actual: Not available FY11 Actual: 85.7% FY12 Actual: 91% FY13: 80% FY14: 90%
Contributing DoD Components: Army		
4.2.4-2P: Percentage of the Department's active duty Navy who meet the planning objectives for time deployed in support of combat operations versus time at home USD(P&R))	4.2.4-2P: Ensure at least 95 percent of active duty Navy personnel will meet the deployment to dwell objective of 1:2.	FY10 Actual: Not available FY11 Actual: 95.6% FY12 Actual: 95% FY13: 95% FY14: 95%
Contributing DoD Components: Navy		
4.2.5-2P: Percentage of the Department's active duty Marines who meet the planning objectives for time deployed in support of combat operations versus time at home USD(P&R))	4.2.5-2P: Ensure at least 95 percent of active duty Marine personnel will meet the deployment to dwell objective of 1:2.	FY10 Actual: Not available FY11 Actual: 94% FY12 Actual: 96% FY13: 95% FY14: 95%
Contributing DoD Components: Marine Corps		

Overview – FY 2014 Defense Budget

Performance Measures	Long-term Performance Goals	Annual Performance Goals
4.2.6-2P: Percentage of the Department's active duty Air Force who meet the planning objectives for time deployed in support of combat operations versus time at home (USD(P&R))	4.2.6-2P: Ensure at least 95 percent of active duty Air Force personnel will meet the deployment to dwell objective of 1:2.	FY10 Actual: Not available FY11 Actual: 97.3% FY12 Actual: 98% FY13: 95% FY14: 95%
Contributing DoD Components: <i>Air Force</i>		
4.2.7-2P: Percent of Reserve Component (RC) Service members mobilized in the evaluation period that have dwell ratios greater than or equal to 1:5 (USD(P&R))	4.2.7-2P: Ensure a minimum 80 percent of the RC Service members undergoing mobilization will have a dwell ratio of 1:5 or greater.	FY10 Actual: Not available FY11 Actual: 71.8% FY12: 72.7% FY13: 80% FY14: 80%
Contributing DoD Components: <i>Army, Navy, and Air Force</i>		
4.2.8-2P: Number of days for all external civilian hiring actions (end-to-end timeline) (USD(P&R))	4.2.8-2P: Beginning in FY 2013, the Department will improve and maintain its timeline for all external (direct hire authority, expedited hire authority, and delegated examining) civilian hiring actions to 80 days or less.	FY10 Actual: 116 FY11 Actual: 104 FY12 Actual: 83 FY13: 80 FY14: 80
Contributing DoD Components: <i>All</i>		
DoD Forces and Infrastructure Category 2R: Central Personnel Benefits		
DoD Strategic Objective 4.3-2R: <i>Better prepare and support families during the stress of multiple deployments.</i>		
Performance Measures	Long-term Performance Goals	Annual Performance Goals
4.3.1-2R: Percent of worldwide government-owned Family Housing inventory at good or fair (Q1-Q2) condition (USD(AT&L))	4.3.1-2R: The DoD (except Navy) will maintain at least 90 percent of worldwide government-owned Family Housing inventory at good or fair (Q1-Q2) condition; Navy will meet the 90 percent goal in FY 2017.	FY10 Actual: Not available FY11 Actual: 80% FY12 Actual: 81.5% FY13: 82% FY14: 84%
Contributing DoD Components: <i>Army, Navy, Marine Corps, and Air Force</i>		
4.3.2-2R: Percent of the worldwide inventory for government-owned permanent party unaccompanied housing at good or fair (Q1-Q2) condition (USD(AT&L))	4.3.2-2R: The DoD (except Navy) will maintain at least 90 percent of the worldwide government-owned permanent party unaccompanied housing at good or fair (Q1-Q2) condition; Navy will meet the 90 percent goal in FY 2022.	FY10 Actual: Not available FY11 Actual: 85% FY12 Actual: 85% FY13: 87% FY14: 87%
Contributing DoD Components: <i>Army, Navy, Marine Corps, and Air Force</i>		
4.3.3-2R: Cumulative percent of Department of Defense Education Activity (DoDEA) schools that meet good or fair (Q1 or Q2) standards (USD(P&R))	4.3.3-2R: By FY 2018, 100 percent of DoDEA schools will meet the OSD acceptable standard of good or fair (Q1 or Q2) standards.	FY10 Actual: Not available FY12 Actual: 38% FY13: 39% FY14: 41%
Contributing DoD Components: <i>Army, Navy, Marine Corps, and Air Force</i>		
4.3.4-2R: Cumulative number of military spouses who have obtained employment through the Military Spouse Employment Partnership (MSEP) (USD(P&R))	4.3.4-2R: By FY 2017, a cumulative of 100,000 military spouses will have obtained employment through the Military Spouse Employment Partnership (MSEP).	FY10–12 Actual: Non-applicable FY13: 20,000 FY14: 40,000
Contributing DoD Components: <i>Army, Navy, Marine Corps, and Air Force</i>		

DoD Forces and Infrastructure Category 2T: Central Training		
DoD Strategic Objective 4.4-2T: <i>Train the Total Defense Workforce with the right competencies.</i>		
Performance Measures	Long-term Performance Goals	Annual Performance Goals
4.4.1-2T: Percent of acquisition positions filled with personnel meeting Levels II and III certification requirements (USD(AT&L))	4.4.1-2T: The DoD will increase the percent of positions filled with personnel meeting Levels II and III certification requirements from the previous fiscal year.	FY10 Actual: Not available FY12 Actual: 70.1% FY13: 70.2% FY14: 70.3%
Contributing DoD Components: <i>All</i>		
4.4.2-2T: Percentage of Defense Language Institute (DLI) Foreign Language Center students who achieve a 2/2/1+ Defense Language Proficiency Test (DLPT) score in reading, listening, and speaking modalities (USD(P&R))	4.4.2-2T: Beginning in FY 2014, at least 62 percent of DLI Foreign Language Center students will achieve a 2/2/1+ score on the DLPT in the reading, listening, and speaking modalities, as measured by the Interagency Language Roundtable performance scale.	FY10 Actual: Not available FY12 Actual: 77% FY13: 80% FY14: 62%
Contributing DoD Components: <i>Army, Navy, Marine Corps, and Air Force</i>		
4.4.3-2T: Percent of Military Departmental information assurance positions and contract requirements filled with personnel meeting certification requirements (DoD CIO)	4.4.3-2T: By FY 2016, 95 percent of Military Departmental information assurance positions and contract requirements will be filled with personnel meeting certification requirements.	FY10-11 Actual: Not available FY12 Actual: 78% FY13: 75% FY14: 85%
Contributing DoD Components: <i>Army, Navy, Marine Corps, and Air Force</i>		
4.4.4-2T: Percent of student enrollments to funded training seats at the HUMINT Training Joint Center of Excellence (HT-JCOE) for Military Source Operations (MSO), interrogation, and HUMINT-enabling training activities (USD(I))	4.4.4-2T: By FY 2016, 100 percent of Military Source Operations (MSO), interrogation, and HUMINT-enabling activities training seats at the HUMINT Training Joint Center of Excellence (HT-JCOE) will be filled with validated enrollees.	FY10-12 Actual: Non-applicable FY13: 85% 8/ FY14: 90%
Contributing DoD Components: <i>Army, Navy, Marine Corps, and Air Force, and DIA</i>		
4.4.5-2T: Percentage of Defense Intelligence Enterprise government authorized language-required positions filled by individuals possessing the required language and proficiency (USD(I))	4.4.5-2T: By FY 2016, greater than or equal to 70 percent of Defense Intelligence Enterprise government authorized language-required positions will be filled by individuals possessing the required language and proficiency	FY10-12 Actual: Non-applicable FY13: Not available FY14: 52%
Contributing DoD Components: <i>Army, Navy, Marine Corps, and Air Force, and DIA</i>		

MODIFIED DoD STRATEGIC GOAL #5: REFORM AND FIND FURTHER EFFICIENCIES IN THE BUSINESS AND SUPPORT FUNCTIONS OF THE DEFENSE ENTERPRISE.

DoD Forces and Infrastructure Category 2A: Force Installations

DoD Strategic Objective 5.1-2A:

Increase use of renewable energy and reduce energy demand at DoD installations.

**Agency Priority Goal 3: By September 30, 2013, the DoD will: (1) improve its facility energy performance by reducing average building energy intensity by 24 percent from the 2003 baseline of 116,134 British Thermal Units (BTUs) per gross square foot, and producing or procuring renewable energy equal to 13 percent of its annual electric energy usage; and (2) improve its operational energy performance by establishing an operational energy baseline with all available data on fuel use; developing a plan for remediating data gaps; funding and implementing a comprehensive data plan; establishing and executing operational energy performance targets based on this comprehensive data for each Military Service and relevant agency. (USD(AT&L))*

Performance Measures	Long-term Performance Goals	Annual Performance Goals
5.1.1-2A: Average facilities sustainment rate (USD(AT&L))	5.1.1-2A: In FY 2014, the DoD will fund facilities sustainment at a minimum of 80 percent of the Facilities Sustainment Model (FSM) requirement.	FY10 Actual: 88% 9/ FY11 Actual: 83% 9/ FY12 Actual: 85% 9/ FY13: 86% FY14: 80%
Contributing DoD Components: <i>Army, Navy, Air Force, DLA, TMA, and DoDEA</i>		
*5.1.2-2A: Cumulative average percent reduction in building energy intensity (USD(AT&L))	*5.1.2-2A: By FY 2015, DoD will reduce average building energy intensity by 30 percent from the FY 2003 baseline of 116,134 British Thermal Units (BTUs) per gross square foot.	FY10 Actual: 10.5% FY11 Actual: 13.3% *FY12 Actual: 17.7% *FY13: 24% FY14: 27%
Contributing DoD Components: <i>Army, Navy, Air Force, DCMA, DeCA, DFAS, DIA, DLA, MDA, NGA, NSA, TMA, and WHS</i>		
*5.1.3-2A: Percentage of renewable energy produced or procured based on DoD's annual electric energy usage (USD(AT&L))	5.1.3-2A: By FY 2025, the DoD will produce or procure renewable energy equal to 25 percent of its annual electric energy usage.	FY10 Actual: 10% FY11 Actual: 8.5% *FY12 Actual: 9.6% *FY13: 13% FY14: 11%
Contributing DoD Components: <i>Army, Navy, Air Force, DCMA, DeCA, DFAS, DIA, DLA, MDA, NGA, NSA, TMA, and WHS</i>		
5.1.4-2A: Million square feet (MSF) of excess or obsolete facilities eliminated (USD(AT&L))	5.1.4-2A: Between FY 2008 and FY 2013, the DoD will demolish a minimum of 62 million square feet (MSF) of excess or obsolete facilities.	FY10 Actual: 34.3 FY11 Actual: 41.6 FY12 Actual: 55.8 FY13: 62 FY14: Retired; achieved end state
Contributing DoD Components: <i>Army, Navy, Air Force, TMA, DoDEA, and DLA</i>		

DoD Forces and Infrastructure Category 2C: Communications & Information Infrastructure

DoD Strategic Objective 5.2-2C:

Protect critical DoD infrastructure and partner with other critical infrastructure owners in government and the private sector to increase mission assurance.

Performance Measures	Long-term Performance Goals	Annual Performance Goals
5.2.1-2C: Percent of applicable Information Technology (IT) and National Security Systems (NSS) that are Certification and Accreditation (C&A)-compliant (DoD CIO)	5.2.1-2C: By FY 2015, 99 percent of applicable Information Technology (IT) and National Security Systems (NSS) will be Certification and Accreditation (C&A)-compliant.	FY10 Actual: 90% FY11 Actual: 92% FY12 Actual: 91.1% FY13: 95% FY14: 95%
Contributing DoD Components: All		
5.2.2-2C: Cumulative percent reduction in the number of DoD data centers (DoD CIO)	5.2.2-2C: By FY 2015, the DoD will reduce its number of data centers by 45 percent (from 772 in FY 2010 to 428 in FY 2015) in order to increase data center storage utilization/capacity.	FY10 Actual: Non-applicable FY11 Actual: 7% FY12 Actual: 15% FY13: 31% FY14: 37%
Contributing DoD Components: All		
5.2.3-2C: Cumulative percentage of DoD Non-secure Internet Protocol Router Network (NIPRNet) accounts with Public Key Infrastructure (PKI) cryptographic logon capability (DoD CIO)	5.2.3-2C: By FY 2014, 95 percent of DoD NIPRNet accounts will have PKI cryptographic logon capability.	FY10 Actual: 88% FY11 Actual: 88% FY12 Actual: 95% FY13: 93% FY14: Retired; achieved end state
Contributing DoD Components: All		
Performance Measures	Long-term Performance Goals	Annual Performance Goals
5.2.4-2C: Cumulative percentage of DoD Secure Internet Protocol Router Network (SIPRNet) accounts with Public Key Infrastructure (PKI) cryptographic logon capability (DoD CIO)	5.2.4-2C: By FY 2014, 95 percent of DoD SIPRNet accounts will have PKI cryptographic logon capability.	FY10–11 Actual: Not available FY12 Actual: 16.5% FY13: 75% FY14: Deleted per DoD CIO
Contributing DoD Components: All		

DoD Forces and Infrastructure Category 2E: Acquisition Infrastructure

DoD Strategic Objective 5.3-2E:

Improve acquisition processes, from requirements definition to the execution phase, to acquire military-unique and commercial items.

**Agency Priority Goal 4: By September 30, 2013, the DoD will improve its acquisition process by ensuring that: 100 percent of Acquisition Category (ACAT) 1 programs, going through Milestone A decision reviews, will present an affordability analysis; 100 percent of ACAT 1 programs, going through milestone decision reviews, will present a competitive strategy; the average cycle time for Major Defense Acquisition Programs (MDAPs) will not increase by more than 5 percent from the Acquisition Program Baseline; the annual number of MDAP breaches – significant or critical cost overruns, for reasons other than approved changes in quantity – will be zero; and the DOD will increase the amount of contract obligations, that are competitively awarded, to 60 percent in FY 2012 and 61 percent in FY 2013. (USD(AT&L))*

Performance Measures	Long-term Performance Goals	Annual Performance Goals
*5.3.1-2E: Percentage of contract obligations that are competitively awarded (USD(AT&L))	5.3.1-2E: The DoD will continue to increase, by one percent annually, the amount of contract obligations that are competitively awarded.	FY10 Actual: 62.5% FY11 Actual: 58.5% *FY12 Actual: 57.5% *FY13: 61% FY14: 62%
Contributing DoD Components: All		

Overview – FY 2014 Defense Budget

Performance Measures	Long-term Performance Goals	Annual Performance Goals
*5.3.2-2E: Median percentage deviation from the Acquisition Program Baseline (APB)-approved cycle time for active Major Defense Acquisition Programs (MDAPs) starting in FY 2002 and after (USD(AT&L))	*5.3.2-2E: Beginning in FY 2014, the median percentage deviation will not increase by more than 2.5 percent from the APB-approved cycle time for active Major Defense Acquisition Programs (MDAPs) starting in FY 2002 and after.	FY10 Actual: 4.4% FY11 Actual: 4.5% *FY12 Actual: 6.6% *FY13: </=5% FY14: </=2.5% 10/
Contributing DoD Components: <i>Army, Navy, and Air Force</i>		
5.3.3-2E: Average rate of acquisition cost growth from the previous year for Major Defense Acquisition Programs (MDAPs) starting in FY 2002 (USD(AT&L))	5.3.3-2E: The DoD will ensure that average rate of acquisition cost growth from the previous year for Major Defense Acquisition Programs (MDAPs) starting in FY 2002 does not exceed three percent.	FY10–11 Actual: Not available FY12 Actual: -0.3% FY13: </=3% FY14: </=3%
Contributing DoD Components: <i>Army, Navy, and Air Force</i>		
*5.3.4-2E: Number of Major Defense Acquisition Program (MDAP) breaches (equal to or greater than 15 percent of current Acquisition Program Baseline (APB) unit cost or equal or greater than 30 percent of original APB unit cost)) for reasons other than approved changes in quantity (USD(AT&L))	*5.3.4-2E: The DoD will not have any MDAP breaches (significant cost overruns) for reasons other than approved changes in quantity.	FY10 Actual: Not available FY11 Actual: 4 *FY12: 1 *FY13: 0 FY14: 0
Contributing DoD Components: <i>Army, Navy, and Air Force</i>		
5.3.5-2E: Percentage of Small Business prime contract obligation goal met annually (USD(AT&L))	5.3.5-2E: Beginning in FY 2012, the DoD will meet 100 percent of its Small Business prime contract obligation goal.	FY10-12: Not available FY13: 100% 11/ FY14: 100%
Contributing DoD Components: <i>All</i>		
5.3.6-2E: Number of Major Automated Information System (MAIS) “significant” breaches (equal to or greater than 15 percent of Acquisition Program Baseline (APB) total cost or with schedule slippages greater than six months)) (DCMO and USD(AT&L))	5.3.6-2E: The DoD will ensure that the number of both Defense Business Systems (DBS) MAIS and non-DBS MAIS “significant” breaches (equal to or greater than 15 percent of the APB total cost or with schedule slippages greater than six months) will not exceed one.	FY10 Actual: 1 FY11 Actual: 2 FY12 Actual: 3 FY13: </=1 FY14: </=1
Contributing DoD Components: <i>Army, Navy, Air Force, Marine Corps, DISA, DLA, and TMA</i>		
5.3.7-2E: Number of Defense Major Automated Information System (MAIS) “critical” breaches (equal to or greater than 25 percent of Acquisition Program Baseline (APB) total cost or with schedule slippages of one year or more)) (DCMO and USD(AT&L))	5.3.7-2E: The DoD will ensure that the number of both Defense Business System (DBS) MAIS and non-DBS MAIS “critical” breaches (equal to or greater than 25 percent of the APB total cost or with schedule slippages greater than one year) will not occur.	FY10 Actual: 2 FY11 Actual: 1 FY12 Actual: 3 FY13: 0 12/ FY14: 0
Contributing DoD Components: <i>Army, Navy, Air Force, Marine Corps, DISA, DLA, and TMA</i>		
5.3.8-2E: Cumulative percent of Major Defense Acquisition Programs certified, as required by the Weapon Systems Acquisition Reform Act of 2009 (USD(AT&L))	5.3.8-2E: By FY 2013, 100 percent of Major Defense Acquisition Programs will be certified, as required by the Weapon Systems Acquisition Reform Act of 2009.	FY10 Actual: Non-applicable FY11 Actual: 60% FY12 Actual: 84% FY13: 100% FY14: Retired; achieved end state
Contributing DoD Components: <i>Army, Navy, and Air Force</i>		

DoD Forces and Infrastructure Category 2L: Logistics		
DoD Strategic Objective 5.4-2L: <i>Provide more effective and efficient logistical support to forces abroad.</i>		
Performance Measures	Long-term Performance Goals	Annual Performance Goals
5.4.1-2L: Perfect Order Fulfillment percentage for Defense Logistics Agency (DLA)-stocked items (USD(AT&L))	5.4.1-2L: By FY 2012, the DoD will increase and maintain Perfect Order Fulfillment (POF) percentage for DLA-stocked items at or above 85.1 percent.	FY10 Actual: 84.8% FY11 Actual: 86.2% FY12 Actual: 87.1% FY13: 85.1% FY14: Deleted per USD(AT&L)
Contributing DoD Components: <i>DLA</i>		
5.4.1-2L: Army Customer Wait Time (days) (USD(AT&L))	5.4.1-2L: The DoD will maintain the Army's average customer wait time at or below 15 days.	FY10 Actual: 16.6 FY11 Actual: 14.1 FY12 Actual: 13.7 FY13: 15 FY14: 15
Contributing DoD Components: <i>Army</i>		
5.4.2-2L: Navy Customer Wait Time (days) (USD(AT&L))	5.4.2-2L: The DoD will maintain the Navy's average customer wait time at or below 15 days.	FY10 Actual: 12.7 FY11 Actual: 11.4 FY12 Actual: 12.6 FY13: 15 FY14: 15
Contributing DoD Components: <i>Navy</i>		
5.4.3-2L: Air Force Customer Wait Time (days) (USD(AT&L))	5.4.3-2L: The DoD will maintain the Air Force's average customer wait time at or below 7.5 days.	FY10 Actual: 7.6 FY11 Actual: 5 FY12 Actual: 5.5 FY13: 7.5 FY14: 7.5
Contributing DoD Components: <i>Air Force</i>		
5.4.4-2L: Percentage of excess on-hand secondary item inventory (USD(AT&L))	5.4.4-2L: By FY 2016, the DoD will reduce and maintain the percentage of excess on-hand secondary inventory to eight percent of total on-hand secondary inventory.	FY10 Actual: 10.7% FY11 Actual: 9.2% FY12 Actual: 9.9% 13/ FY13: 10% FY14: 10%
Contributing DoD Components: <i>Army, Navy, Air Force, and DLA</i>		
5.4.5-2L: Percentage of excess on-order secondary item inventory (USD(AT&L))	5.4.5-2L: By FY 2016, the DoD will reduce and maintain the percentage of secondary item excess on-order inventory to four percent of total on order secondary item inventory.	FY10 Actual: 5.5% FY11 Actual: 4.8% FY12 Actual: 5.8% 13/ FY13: 6.3% FY14: 6%
Contributing DoD Components: <i>Army, Navy, Air Force, and DLA</i>		

DoD Forces and Infrastructure Category 2U/2V: Department Headquarters and other Infrastructure

DoD Strategic Objective 5.5-2U/2V:

Improve financial management and increase efficiencies in headquarters and administrative functions, support activities, and other overhead accounts.

**Agency Priority Goal 5: By September 30, 2013, the DoD will improve its audit readiness on the Statement of Budgetary Resources for Appropriations Received from 80 to 100 percent.*

Performance Measures	Long-term Performance Goals	Annual Performance Goals
5.5.1-2U: Percent of DoD's Funds Balance with Treasury validated as audit-ready (USD(C/CFO))	5.5.1-2U: By FY 2014, 100 percent of DoD's Funds Balance with Treasury will be validated as audit-ready.	FY10 Actual: 9% FY11 Actual: 9% FY12 Actual: 9% FY13: 30% FY14: 100%
Contributing DoD Components: All		
5.5.2-2U: Percent of DoD's general fund Statement of Budgetary Resources for material Components validated as audit-ready (USD(C/CFO))	5.5.2-2U: By FY 2014, 100 percent of DoD's general fund Statement of Budgetary Resources for material Components will be validated as audit-ready.	FY10 Actual: 14% FY11 Actual: 14% FY12 Actual: 14% FY13: 20% FY14: 100%
Contributing DoD Components: All		
5.5.3-2U: Percent of DoD mission-critical assets (Real Property, Military Equipment, General Equipment, Operating Materials and Supplies, and Inventory balances) validated for existence and completeness (USD(C/CFO))	5.5.3-2U: By FY 2017, 100 percent of DoD mission-critical assets (Real Property, Military Equipment, General Equipment, Operating Materials and Supplies, and Inventory balances) will be validated as audit-ready for existence and completeness.	FY10 Actual: 4% FY11 Actual: 4% FY12 Actual: 41% FY13: 42% FY14: 55%
Contributing DoD Components: All		
*5.5.4-2U: Percent of DoD's Statement of Budgetary Resources for Appropriations Received validated as audit ready (USD(C/CFO))	*5.5.4-2U: By FY 2013, the DoD will improve its audit readiness on the Statement of Budgetary Resources for Appropriations Received to 100 percent.	FY10 Actual: 19% FY11 Actual: 80% *FY12 Actual : 88% *FY13: 100% FY14: Retired; achieved end state
Contributing DoD Components: All		

Footnotes:

- 1/ Measure changed from number to percentage based on evolving force structure decisions.
- 2/ Corrects the FY 2013 goal for the Navy fleet from 283 to 285 to reflect the Navy Shipbuilding Plan in support of the FY 2013 President's Budget.
- 3/ Corrects the FY 2013 goal to measure the number of Navy ships equipped with BMD capability and ready for tasking, versus measuring the number of ships funded by the Missile Defense Agency). This revised goal better supports the strategic objective , which is focused on fielded (vice funded) capability and ensures that DoD performance data is consistent with information published in the Navy's 30-year shipbuilding plan that supports the President's Budget.
- 4/ Beginning in FY 2013, this goal was normalized to exclude the effects of surge operations.
- 5/ Annual performance goals pending completion of FY 2014 budget request for Overseas Contingency Operations.
- 6/ Goals and results are considered sensitive and will not be made available to the public.
- 7/ Revised (increased) based on FY 2012 actual execution.
- 8/ Revised based on USD (I) strategic guidance issued subsequent to FY 2013 President's Budget.
- 9/ Reflects result for Operations and Maintenance (O&M) funds only; as most facilities sustainment funding is O&M, the residual amount in other accounts is not expected to result in the goal being achieved.
- 10/ Reflects median vice average percentage calculation, effective FY 2014.
- 11/ Measure and goal modified to focus only on Small Business prime contract obligations.
- 12/ Goal updated to reflect negotiated position of the USD(AT&L) and the DCMO.
- 13/ Reflects result for March 2012, given six month delay in assessing fiscal yearend results.

*Reflects FY 2012 – FY 2013 Agency Priority Goal.

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