

Fiscal Year 2025 Budget Estimates

Office of the Secretary of Defense Cyber



March 2024

**Office of the Secretary of Defense - Cyber
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2025 Budget Estimates**

**Operation and Maintenance, Defense-Wide Summary (\$ in thousands)
Budget Activity (BA) 4: Administration and Service-wide Activities**

	<u>FY 2023 Actuals</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2024 Estimate</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2025 Estimate</u>
OSD Cyber	58,173	1,593	32,410	92,176	2,070	5,337	99,583

- FY 2023 includes \$0 thousand in Overseas Operations Costs (OOC) Actuals. FY 2024 includes \$0 thousand in OOC Estimate. FY 2025 includes \$0 thousands for the OOC Budget Estimate. OOC were financed previously with former Overseas Contingency Operations (OCO) funding.
- This DoD component is a budget line item in the Operation and Maintenance Defense-wide account and therefore, the FY 2024 Estimate does not reflect a CR adjustment. The overall Operation and Maintenance, Defense-wide account CR adjustment for FY 2024 may be found in the O-1 document.

I. Description of Operations Financed:

The Office of the Secretary of Defense (OSD) is the principal staff of the Secretary of Defense (SECDEF) in the exercise of policy development, planning, resource/fiscal management, and program evaluation responsibilities. The OSD principal staff assistants supporting cyber activities are listed below:

Principal Staff Assistants:

- DoD Chief Information Officer (DoD CIO)
- Office of the Under Secretary of Defense for Policy (OUSDP)
- Office of the Under Secretary of Defense for Research and Engineering (OUSDR&E)

\$ in Thousands

	<u>FY 2023 Enacted</u>	<u>FY 2024 Request</u>	<u>FY 2025 Estimate</u>
A. <u>Core Operating Program CivPay:</u>	9,381	16,434	16,884

The OSD Core Operating Program provides the necessary resources to support effective implementation of the National Defense Strategy (NDS). Funding in this sub-activity group includes all civilian personnel compensation and benefits required for OSD's operations and the centrally funded oversight, policy, and control cyber services.

\$ in Thousands

<u>Requested FY 2025 Civilian Pay and Benefits:</u>	<u>Civilian Pay</u>	<u>Full Time Equivalents (FTEs)</u>
DoD CIO	9,345	37

OSD - Cyber

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I. Description of Operations Financed: (Cont.)

OUSD(P)	6,226	25
OUSD(R&E)	1,313	5
TOTAL	16,884	67

\$ in Thousands

	<u>FY 2023 Enacted</u>	<u>FY 2024 Request</u>	<u>FY 2025 Estimate</u>
B. <u>DoD Chief Information Officer (CIO):</u>	40,847	67,346	71,236

The DoD CIO is the principal staff assistant and advisor to the SECDEF and the Deputy Secretary of Defense (DEPSECDEF) for information technology (IT), including national security systems and information resources management (IRM) matters. The DoD CIO is responsible for all matters relating to the DoD information enterprise, including network operations, information systems, and cybersecurity. The DoD CIO develops Department-wide strategy and policy on the operation and protection of all DoD IT and information systems, including development and promulgation of enterprise-wide architecture requirements and technical standards, and enforcement, operation, and maintenance of systems, interoperability, collaboration, and interface between DoD and non-DoD systems in direct support of both the National Security Strategy (NSS) and NDS. The DoD CIO activities support the modernization and development of advanced IT and Cybersecurity capabilities to enhance readiness and lethality; focus attention on modernization of key information capabilities; develop the Cyber workforce; and ensure DoD maintains an advantage over adversaries in an environment with an assumed breach and access granted based on trust (Zero Trust Architecture).

The activities related to Cybersecurity include:

- 1) Information Systems Security Program (ISSP)
- 2) Cybersecurity Initiatives
- 3) Cybersecurity Risk Management Oversight
- 4) Defense Industrial Base, Cyber Security/Information Assurance
- 5) Cyber scholarship and workforce development

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I. Description of Operations Financed: (Cont.)

	\$ in Thousands		
	<u>FY 2023 Enacted</u>	<u>FY 2024 Request</u>	<u>FY 2025 Estimate</u>
C. <u>Under Secretary of Defense (Policy) (Office of Principal Cyber Advisor):</u>	4,899	5,282	7,996

The OUSD(P) is the principal staff assistant and advisor to the SECDEF and DEPSECDEF on capabilities, force, and contingency plans necessary to implement the NDS, defense policy, and the integration and oversight of DoD policy and plans to achieve national security objectives. As directed in Section 901 of the FY 2023 NDAA, the Assistant Secretary of Defense for Cyber Policy serves as a Principal Cyber Advisor (PCA) to the SECDEF, acting as principal staff assistant, and advises SECDEF / DEPSECDEF on cyber activities that support or enable DoD's various missions in cyberspace, particularly regarding policy, legislative affairs, training, resources, personnel, manpower, acquisitions, & technology, in coordination with appropriate principal staff assistants.

Funding supports the Office of the Principal Cyber Advisor (OPCA). OPCA oversees and advocates for USCYBERCOM and the Cyberspace Operations Forces (COF), establishes cyberspace operations policy and strategy, and drives implementation of the DoD Cyber Strategy and Cyber Posture Review. OPCA also synchronizes and directs issues related to COF, posture & readiness, and advises senior leadership on and propelling relevant policy, programmatic, and process gaps inhibiting operational effectiveness across the DoD. Increase in OPCA funding is to 1) ensure fiscal and budgetary oversight of the Department's annual Cyberspace Operations, in compliance with PCA budget certification authority as directed in Title 10 Section 392 with enactment of the FY 2023 NDAA Section 1501; and 2) support increased oversight and advocacy for USCYBERCOM's responsibilities in Title 10 Section 167B for development and acquisition efforts pursuant to joint cyberspace operational capabilities.

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I. Description of Operations Financed: (Cont.)

\$ in Thousands

<u>FY 2023 Enacted</u>	<u>FY 2024 Request</u>	<u>FY 2025 Estimate</u>
3,046	3,114	3,467

D. Under Secretary of Defense (Research and Engineering):

The OUSD(R&E) is the principal staff assistant and advisor to the SECDEF and DEPSECDEF for all matters relating to research and engineering, and other related matters. The OUSD(R&E) serves as the Department’s Chief Technical Officer and is responsible for unifying defense research, development, and prototyping activities across the enterprise. The OUSD(R&E) establishes policies on, and oversees, all defense research and engineering, technology development, technology transition, prototyping, experimentation, and development testing activities and programs. The OUSD(R&E) responsibilities also include: establishing a Department-wide, mission-focused roadmap for each of the Critical Technology Areas (CTA); developing and implementing a National Defense Science and Technology (S&T) Strategy; leading the establishment and implementation of Department-wide protection methodologies that mitigate the risk of loss of critical technologies to determined adversaries; initiating critical prototypes within the OUSD(R&E) identified capability thrust priorities; developing policy and guidance for DoD Mission and Enterprise Architectures; establishing Open Architecture Standards, piloting alternate rapid acquisition approaches; and ensuring the integration of developmental and operational test and evaluation in coordination with the Director, Operational Test & Evaluation (DOT&E).

The funding supports the OUSD(R&E) Damage Assessment Management Office’s (DAMO) oversight and coordination mission. OUSD(R&E) DAMO develops and provides policy oversight of cyber incident damage assessments conducted by the Military Department DAMO organizations as mandated by Defense Federal Acquisition Regulations Supplement (DFARS) clause 252.204-7012 (Safeguarding Covered Defense Information and Cyber Incident Reporting). The purpose of the assessments is to analyze the impact of compromised information on US military capability underpinned by technology. In addition, OUSD(R&E) conducts cyber incident damage assessments for components lacking organic DAMO capability.

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II. Force Structure Summary:
N/A.

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III. Financial Summary (\$ in Thousands):

	FY 2023 Actuals	Budget Request	FY 2024		Current Estimate	FY 2025 Estimate
			<u>Congressional Action</u>			
			<u>Amount</u>	<u>Percent</u>		
<u>A. BA Subactivities</u>						
01.Cyberspace Activities	\$58,173	\$92,176	\$0	0.00%	\$92,176	\$99,583
Compensation and Benefits	\$9,381	\$16,434	\$0	0.00%	\$16,434	\$16,884
Department of Defense Chief Information Officer	\$40,847	\$67,346	\$0	0.00%	\$67,346	\$71,236
Office of the Under Secretary of Defense for Policy	\$4,899	\$5,282	\$0	0.00%	\$5,282	\$7,996
Office of the Under Secretary of Defense for Research and Engineering	<u>\$3,046</u>	<u>\$3,114</u>	<u>\$0</u>	<u>0.00%</u>	<u>\$3,114</u>	<u>\$3,467</u>
Total	\$58,173	\$92,176	\$0	0.00%	\$92,176	\$99,583

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III. Financial Summary (\$ in Thousands): (Cont.)

<u>B. Reconciliation Summary</u>	<u>Change FY 2024/FY 2024</u>	<u>Change FY 2024/FY 2025</u>
BASELINE FUNDING	\$92,176	\$92,176
Congressional Adjustments (Distributed)	0	
Congressional Adjustments (Undistributed)	0	
Adjustments to Meet Congressional Intent	0	
Congressional Adjustments (General Provisions)	0	
Fact-of-Life Changes (2024 to 2024 Only)	0	
SUBTOTAL BASELINE FUNDING	92,176	
Supplemental	0	
Reprogrammings	0	
Price Changes		2,070
Functional Transfers		0
Program Changes		5,337
CURRENT ESTIMATE	92,176	99,583
Less: Supplemental	0	
NORMALIZED CURRENT ESTIMATE	\$92,176	\$99,583

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III. Financial Summary (\$ in Thousands): (Cont.)

FY 2024 President's Budget Request (Amended, if applicable)	\$92,176
1. Congressional Adjustments	\$0
a) Distributed Adjustments.....	\$0
b) Undistributed Adjustments	\$0
c) Adjustments to Meet Congressional Intent.....	\$0
d) General Provisions	\$0
2. Supplemental Appropriations	\$0
a) Supplemental Funding.....	\$0
3. Fact-of-Life Changes.....	\$0
a) Functional Transfers.....	\$0
b) Technical Adjustments	\$0
c) Emergent Requirements.....	\$0
FY 2024 Baseline Funding	\$92,176
4. Reprogrammings (Requiring 1415 Actions).....	\$0
a) Increases	\$0
b) Decreases	\$0

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III. Financial Summary (\$ in Thousands): (Cont.)

Revised FY 2024 Estimate	\$92,176
5. Less: Item 2, Supplemental Appropriation and Item 4, Reprogrammings	\$0
a) Less: Supplemental Funding	\$0
FY 2024 Normalized Current Estimate	\$92,176
6. Price Change	\$2,070
7. Functional Transfers	\$0
a) Transfers In	\$0
b) Transfers Out.....	\$0
8. Program Increases.....	\$5,365
a) Annualization of New FY 2024 Program	\$0
b) One-Time FY 2025 Increases	\$0
c) Program Growth in FY 2025	\$5,365
1) Mission Support - Cyber Security Initiative - DoD CIO.....	\$1,200
Increase supports additional funding for the Cyber Workforce by enhancing capability development in partnerships, improving operational effectiveness, and expanding career-broadening opportunities. (FY 2024 Baseline: \$65,877 thousand; 0 FTEs; +0 FTEs)	
2) Mission Support - Defense Industrial Cyber Security - OUSD(R&E).....	\$287
Increase funds additional contract support for the increasing workload required to provide timely assessments of the technological impact on U.S. military capability resulting from the loss of DoD information	

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III. Financial Summary (\$ in Thousands): (Cont.)

on unclassified contractor networks from cyber intrusions.
(FY 2024 Baseline: \$3,180 thousand; 0 FTEs; +0 FTEs)

3) Mission Support - Defense Industrial Cyber Security Initiative - DoD CIO \$1,276
Increase supports additional contractors focused on protecting the Defense Industrial Base from cyber security threats.
(FY 2024 Baseline: \$2,883 thousand; 0 FTEs; +0 FTEs)

4) Mission Support - Establishment of ASD for Cyber Policy - OUSD(P) \$2,602
Increase supports the congressionally mandated establishment of a Principal Cyber Advisor as ASD for Cyber Policy under Title 10, U.S. Code, Section 392a (10 U.S.C. § 392a). Funding will include personnel, facilities, and operating costs. Increase supports additional enhancements to the oversight of USCYBERCOM in the Planning, Programming, Budgeting, and Execution System and for all phases of acquisition.
(FY 2024 Baseline: \$5,394 thousand; 0 FTEs; +0 FTEs)

9. Program Decreases \$-28

a) Annualization of FY 2024 Program Decreases \$0

b) One-Time FY 2024 Increases \$0

c) Program Decreases in FY 2025 \$-28

1) Compensation and Benefits - Civilian Average Annual Compensation \$-28
Each year, civilian compensation rates are developed based on detailed execution and cost factor analysis. These rates are created and implemented with the paramount purpose of accurately forecasting cost estimates for the civilian workforce. The higher expected average annual rate change in FY 2025 is the result of these rate changes combined with the fluctuations in composition of civilian pay types and funding alignment to budget execution.
(FY 2024 Baseline: \$16,884 thousand; 67 FTEs)

FY 2025 Budget Request \$99,583

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IV. Performance Criteria and Evaluation Summary:

Department of Defense, Chief Information Officer (DoD(CIO))(Cyber 4GTC):

The DoD CIO is the principal staff assistant and advisor to the SECDEF and the DEPSECDEF for information technology (IT), including national security systems, and information resources management (IRM) matters. The DoD CIO is responsible for all matters relating to the DoD information enterprise, including cybersecurity, including defense industrial base (DIB) cybersecurity (CS) activities.

Major Program Title: Defense Industrial Base Cybersecurity Activities

Measure/Description	Actuals	Enacted	Request
	FY 2023	FY 2024	FY 2025
Expand and refine DIB CS activities, both mandatory and voluntary, to better protect DoD unclassified information residing on or transitioning DIB information networks or systems.			
Metric #1: Encourage defense contractors to join the voluntary DIB Cybersecurity Program. (# of new participants)	90	150	150
METRIC #2.a.: Number of companies participating in DIB CS Pilot Program with non-cleared defense contractors.	22	30*	30*
METRIC #2.b.: Products (cybersecurity threat indicators) shared with participants in the DIB CS Pilot Program with non-cleared defense contractors.	8	25	52
METRIC #3: Provide expertise in support of the implementation of the Defense Federal Acquisition Regulation Supplement (DFARS) clause 252.204-7012 in defense contracts. (# of engagements with industry and government)	35	40	45
Metric #4: Through the DoD Cyber Crime Center, continue to develop meaningful cyber threat information products to share with DIB CS participants.	1750	2500	2500

***Denotes maximum allowable participation**

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IV. Performance Criteria and Evaluation Summary:

Major Program Title: Cybersecurity

Measure/Description	Actuals	Enacted	Request
Improve Cybersecurity. Improve adoption of security practices, and reduce exposure to vulnerabilities and threats to the operating environment by limiting access to only authorized users and implementing technologies and processes that reduce risk from malicious activity.	FY 2023	FY 2024	FY 2025
Metric #1: Move all internet-facing servers to approved Demilitarized Zones (DMZs) on NIPRNet.	99%	99%	99%
Metric #2: Upgrade Entire inventory of Windows workstations to Windows 10 Secure Host Baseline NIPRNet.	99%	97%	99%

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V. Personnel Summary:

	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>Change FY 2023/ FY 2024</u>	<u>Change FY 2024/ FY 2025</u>
Civilian End Strength (Total)	47	67	67	20	0
U.S. Direct Hire	47	67	67	20	0
Total Direct Hire	47	67	67	20	0
Civilian FTEs (Total)	47	67	67	20	0
U.S. Direct Hire	47	67	67	20	0
Total Direct Hire	47	67	67	20	0
Average Annual Civilian Salary (\$ in thousands)	199.6	245.3	252.0	45.7	6.7

Personnel Summary Explanations:

Changes of +20 total FTEs from FY 2023 to FY 2024:

- +6 FTE DoD CIO - Cybersecurity Maturity Model Certification (CMMC)
- +2 FTE DoD CIO - Cyber Scholarship Program
- +12 FTE OUSD(P) - Principal Cyber Advisor Enhance Budgetary Control Oversight & Compliance

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VI. OP 32 Line Items as Applicable (Dollars in thousands):

	FY 2023 Program	Change from FY 2023 to FY 2024		FY 2024 Program	Change from FY 2024 to FY 2025		FY 2025 Program
		Price Growth	Program Growth		Price Growth	Program Growth	
101 EXEC, GEN'L & SPEC SCHEDS	9,381	472	6,581	16,434	478	-28	16,884
0199 TOTAL CIVILIAN PERSONNEL COMPENSATION	9,381	472	6,581	16,434	478	-28	16,884
308 TRAVEL OF PERSONS	58	1	19	78	2	0	80
0399 TOTAL TRAVEL	58	1	19	78	2	0	80
671 DISA DISN SUBSCRIPTION SERVICES (DSS)	1,263	82	-1,345	0	0	0	0
0699 TOTAL OTHER FUND PURCHASES	1,263	82	-1,345	0	0	0	0
920 SUPPLIES & MATERIALS (NON-FUND)	1,787	39	-1,826	0	0	0	0
932 MGT PROF SUPPORT SVCS	42,240	929	2,298	45,467	955	8,894	55,316
933 STUDIES, ANALYSIS & EVAL	1,065	23	182	1,270	27	3	1,300
934 ENGINEERING & TECH SVCS	2,080	46	11,340	13,466	283	413	14,162
951 OTHER COSTS (SPECIAL PERSONAL SVC PAY)	262	0	-262	0	0	0	0
987 OTHER INTRA-GOVT PURCH	26	1	1,291	1,318	28	-137	1,209
988 GRANTS	0	0	14,000	14,000	294	-3,808	10,486
989 OTHER SERVICES	11	0	132	143	3	0	146
0999 TOTAL OTHER PURCHASES	47,471	1,038	27,155	75,664	1,590	5,365	82,619
9999 GRAND TOTAL	58,173	1,593	32,410	92,176	2,070	5,337	99,583