



Request For Additional Fiscal Year 2017 Appropriations

March 16, 2017

Office of the Under Secretary of Defense (Comptroller)/CFO

Purpose

- Provide a summary of what is included in the \$30 billion March request for additional appropriations

(Dollars in Billions)

- | | |
|--|-------------|
| – Base budget request | \$+24.9 |
| – Overseas Contingency Operations (OCO) budget request | <u>+5.1</u> |
| – Total budget request | \$+30.0 |
- Request the Congress pass a full year Defense Appropriations bill that includes this request for additional appropriations
 - Under a CR,
 - There is a tremendous mismatch of appropriations compared to the request - not enough operating funds, too much procurement funds
 - Inability to increase rate productions hampers planned programs; may result in increased unit costs
 - No new start restrictions affect planned deliveries of equipment to the warfighter
 - DoD could be limited in its ability to counter the Islamic State of Iraq and Syria (ISIS)

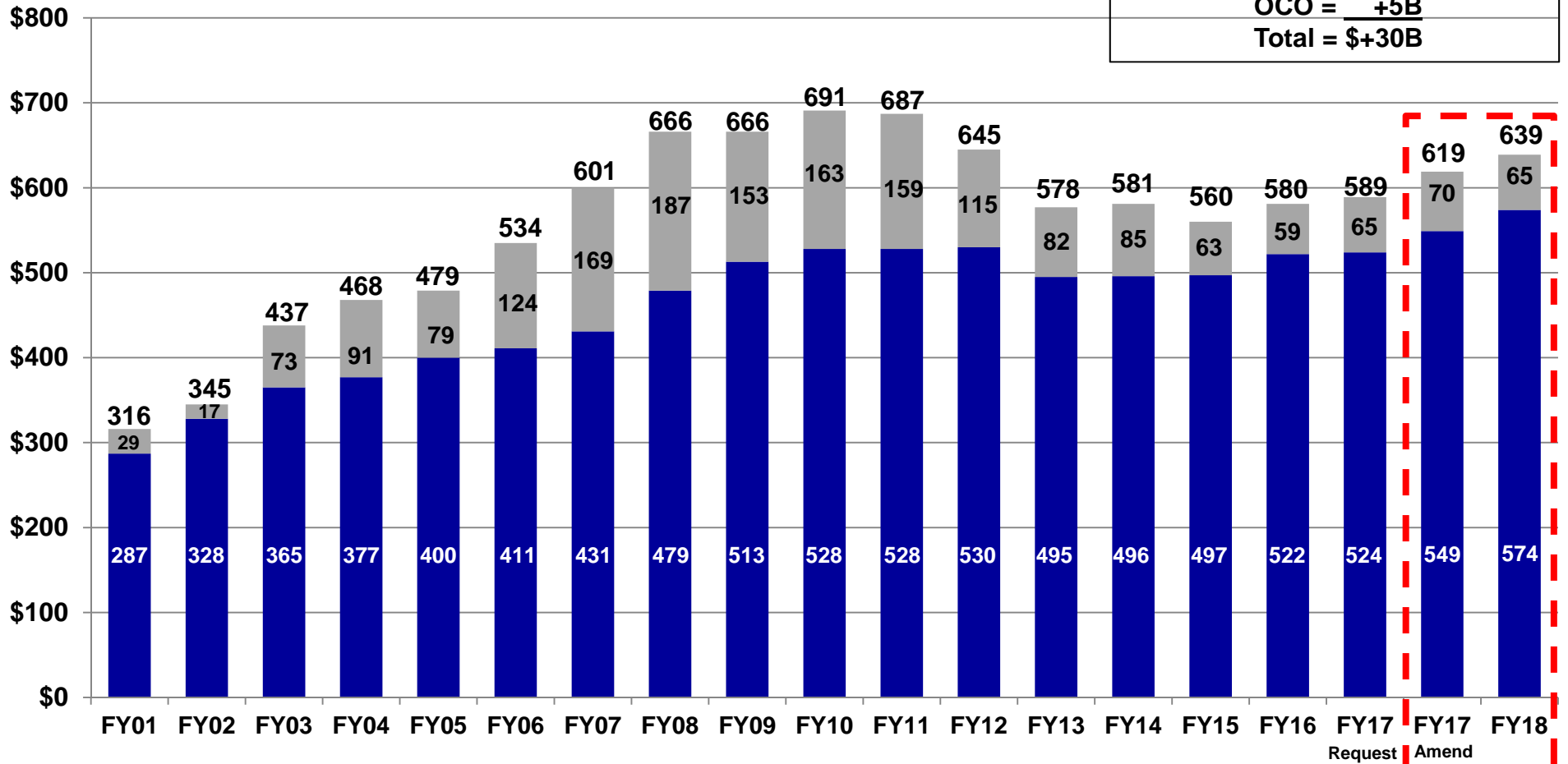
What the FY 2017 Additional Request Does

- Execute the President's direction to:
 - Conduct a 30-day Readiness Review
 - Develop a Military Readiness request for additional resources based on the results of the review
 - Develop a plan to accelerate the campaign to defeat ISIS and other worldwide violent extremists organizations
- Require additional funding to:
 - Improve near-term readiness (i.e., maintenance, spare parts, training time, peacetime flying hours, munitions, etc.)
 - Fund “must pay” bills (e.g., pay raise increase to 2.1%, denied healthcare reforms, storm damage to military facilities, NDAA added end strength)
 - Avoid 4th quarter reprogramming actions especially in the operating accounts
 - Invest in items to begin improving mid-term and long-term readiness

DoD Funding from 9/11 Through FY 2018 Request

(Discretionary Budget Authority)

| | |
|---------------------------|--------|
| March Request for FY 2017 | |
| Base = | +\$25B |
| OCO = | +5B |
| Total = | +\$30B |



DoD Topline, FY 2001 – FY 2018

(Current Dollars in Billions)

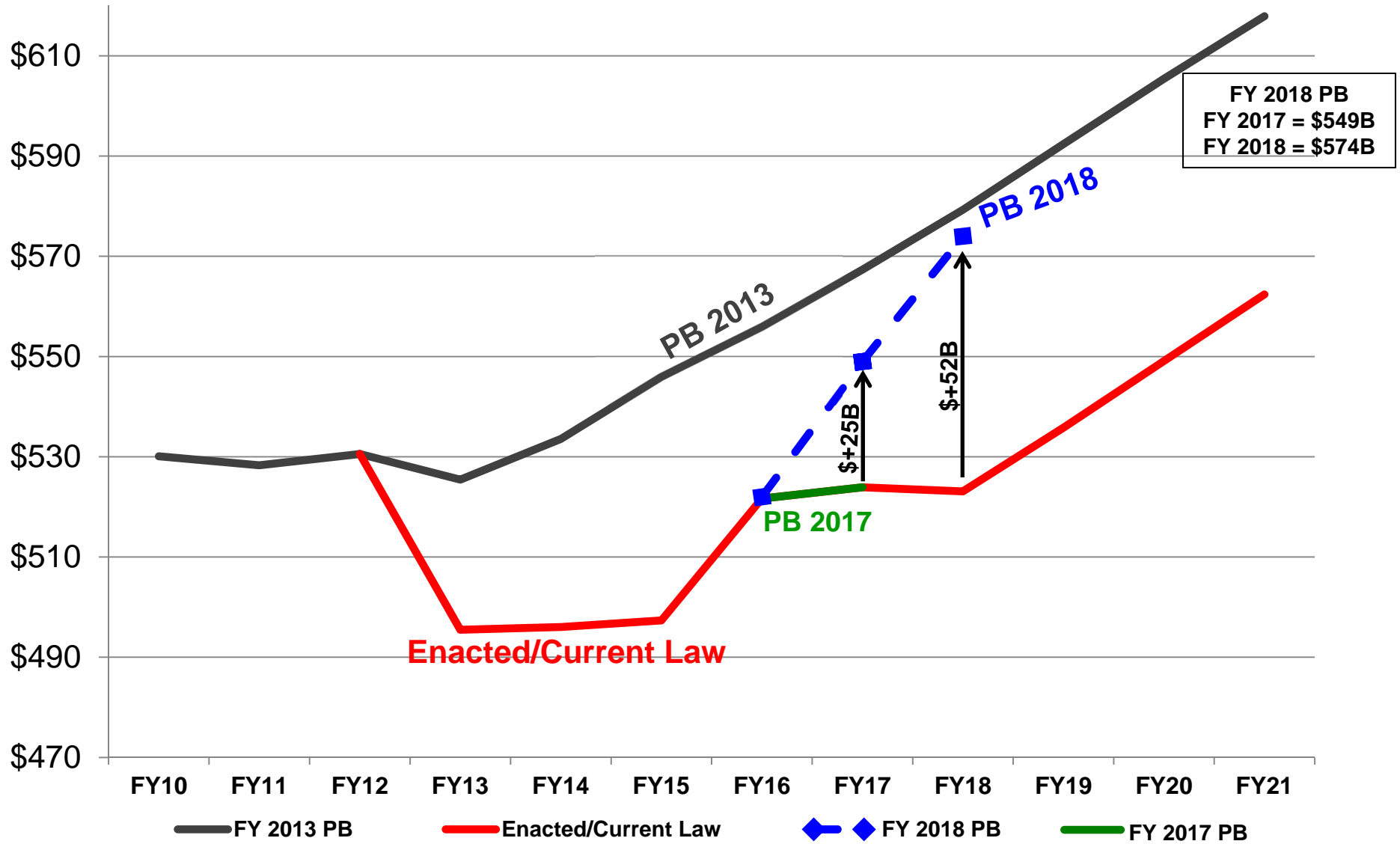
■ Base Budget ■ OCO/Other Budget

Numbers may not add due to rounding

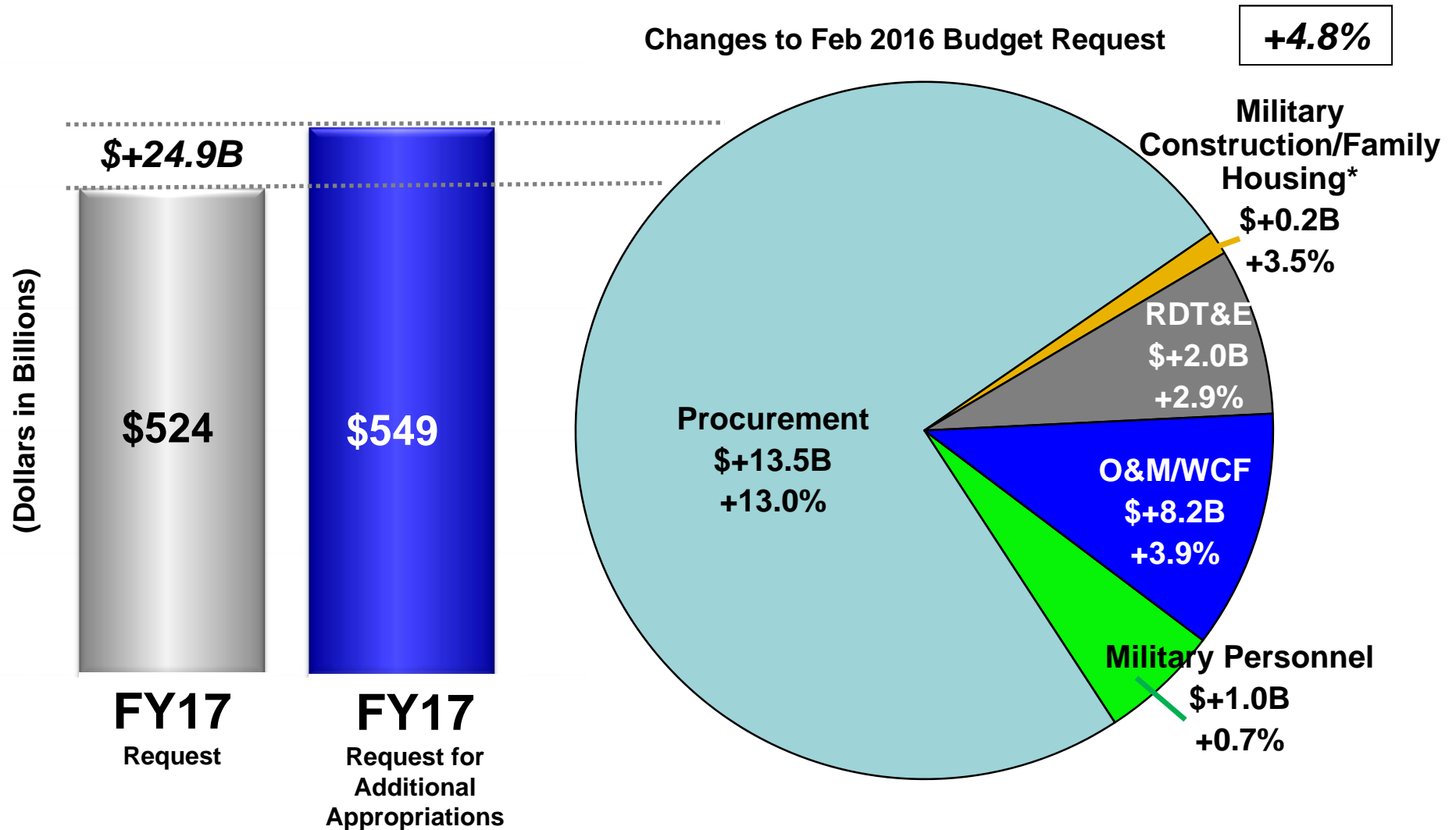
Note: FY 2017 reflects enacted funding provided in division A of P.L. 114-223 for the Military Constructions Bill appropriations and division B of P.L. 114-254 (Security Assistance Appropriations Act, 2017) for the Defense Bill appropriations

The Defense Budget Picture Today

(Base Budget Dollars in Billions)



Changes to Original FY17 Base Budget Request by Title



*Reflects enacted division A of P.L. 114-223 except it excludes \$307.663 million of prior year rescissions

Summary of Services' Readiness Improvements

- **Army:**
 - Funds additional home station training and depot maintenance to ensure future deploying forces are properly trained and equipped.
 - Supports increases in rotational exercises in Korea and defensive cyber operations
- **Navy:**
 - Fills critical shortfalls in ship maintenance to reduce backlogs and funds increased ship operations
 - Supports additional spare parts and maintenance to improve aircraft reliability and increased flying hours to support tactical training
 - Enhances shore readiness by ensuring security forces provide the necessary security environment to protect the military and their families
- **Marine Corps:**
 - Funds critical gaps in combat power through additional counter-UAS capabilities, precision fires, and additional exercises and training
 - Increases investments to sustain and modernize Marine Corps aircraft inventory
- **Air Force:**
 - Expands capacity to fill critical gaps in maintenance; aircrew; Intelligence, Surveillance, and Reconnaissance (ISR); cyber, and Battlefield Airmen
 - Supports increases in pilot production, weapon system sustainment, and cyber and command communications
- **USSOCOM:**
 - Supports participation in expanded training events and modernization of additional intelligence, targeting, and strike enablers
 - Increases ISR, maintenance, and C4I support to deployed and deploying; supports operational enhancements and procures critical platform shortfalls

Services focused on improving near-term readiness and sustaining it

Military End Strength

FY 2017 PB Request vs. FY 2017 Authorized vs. FY 2017 Amended Request

| End Strength | FY 2016 Actuals | FY 2017 PB Request | FY 2017 Authorized | FY 2017 NDAA vs. Request | FY 2017 Amended Request (Mar 2017) |
|-------------------------------------|------------------|--------------------|--------------------|--------------------------|------------------------------------|
| Active Forces | | | | | |
| Army..... | 475,400 | 460,000 | 476,000 | +16,000 | 476,000 |
| Navy..... | 324,557 | 322,900 | 323,900 | +1,000 | 326,492 |
| Marine Corps..... | 183,604 | 182,000 | 185,000 | +3,000 | 184,426 |
| Air Force..... | 317,883 | 317,000 | 321,000 | +4,000 | 321,125 |
| Total, Active Forces..... | 1,301,444 | 1,281,900 | 1,305,900 | +24,000 | 1,308,043 |
| Guard and Reserve Forces | | | | | |
| Army Reserve..... | 198,395 | 195,000 | 199,000 | +4,000 | 199,000 |
| Navy Reserve..... | 57,980 | 58,000 | 58,000 | - | 58,175 |
| Marine Corps Reserve..... | 38,453 | 38,500 | 38,500 | - | 38,940 |
| Air Force Reserve..... | 69,364 | 69,000 | 69,000 | - | 69,000 |
| Army National Guard..... | 341,589 | 335,000 | 343,000 | +8,000 | 343,000 |
| Air National Guard..... | 105,887 | 105,700 | 105,700 | - | 105,700 |
| Total, Selected Reserve..... | 811,668 | 801,200 | 813,200 | +12,000 | 813,815 |
| Total End Strength..... | 2,113,112 | 2,083,100 | 2,119,100 | +36,000 | 2,121,858 |

FY 2017 NDAA End Strength +36K over Original Request

Request Supports Future Capabilities (Base Budget)

\$+15.5B*

(Dollars in Millions)

| Army \$+4.6B | | Navy \$+5.8B | | Air Force \$+4.1B | | Defense-Wide \$+1.0B | |
|-------------------|--------------|------------------|--------------|----------------------|-----------|-------------------------|------------|
| MQ-1 UAV | +13/\$+130 | F/A-18E/F | +24/\$+2,320 | F-35 | +5/\$+596 | THAAD | +12/\$+151 |
| AH-64 Apaches | +20/\$+708 | V-22 | +2/\$+171 | HC/MC-130 | +5/\$+500 | USSOCOM | \$+198 |
| UH-60 | +17/\$+376 | V-22 Mods | \$+99 | F-16 Mods | \$+160 | ACWA | \$+127 |
| RQ-7 UAV Mods | \$+248 | P-8 | +6/\$+920 | C-130 Mods | \$+137 | | |
| MSE Missiles | +60/\$+279 | C-40A | +2/\$+208 | Bombs | \$+60 | | |
| Javelin | +591/\$+104 | Aircraft Spares | \$+302 | Vehicles | \$+361 | | |
| Guided MLRS | +1188/\$+155 | Tomahawks | +96/\$+85 | Physical Security | | | |
| Patriot Mods | \$+228 | Standard Missile | \$+43 | Eq | \$+145 | | |
| Abrams Upgrade | +27/\$+330 | DDG-51 | \$+433 | EOD Eq | \$+221 | | |
| Bradley Mods | \$+214 | Ship-to-Shore | | | | | |
| Ammunition | \$+304 | Connector | +3/\$+190 | | | | |
| Ammo Industrial | | Javelin | +515/\$+77 | | | | |
| Facility | \$+182 | G/ATOR | +3/\$+125 | | | | |
| I ³ MP | \$+195 | | | | | | |

I³MP = Installation Info Infrastructure Mod Program
G/ATOR = Ground/Air Task Oriented Radar

EOD = Explosive Disposal Ordinance
MDA = Missile Defense Agency

THAAD = Terminal High Altitude Area Defense
ACWA = Assembled Chemical Weapons Alternatives

Investments Improve Near-term and Mid-term Warfighter Readiness

*Includes procurement and RDT&E funding

Highlights of Additional Request for OCO Activities

(Dollars in Billions)

March FY 2017 OCO Request Total

\$5.1

- Acceleration of the Defeat of ISIS \$2.0
 - Funds additional force management levels, enablers, and intelligence support as approved to support the new strategy to defeat ISIS and other worldwide violent extremists
 - Requests funds in the Overseas Contingency Operations Transfer Fund to enable DoD to respond to changing operational conditions

- Operation FREEDOM'S SENTINEL (Afghanistan) and Theater Posture \$1.1
 - Funds emerging Intelligence, Surveillance and Reconnaissance (ISR) requirements, and other capabilities (e.g., Counter-Rocket Artillery and Mortar intercept systems)
 - Includes Special Operations Forces requirements and Air Force military personnel costs for Reserve Component personnel

- Operation INHERENT RESOLVE (Iraq and Syria) \$1.4
 - Funds Joint Urgent Operations Needs including Counter-Unmanned Aerial systems and high priority ISR requirements that can be quickly fielded
 - Includes Joint Direct Attack Munitions tail kits and JAVAMAN global positioning system improvements

- Counter-ISIS Train and Equip Fund (CTEF) \$0.6
 - Consolidates efforts and increases funding for assistance to Iraqi Security Forces and Vetted Syrian Opposition as they retake the city of Mosul and the city of Raqqa

Summary

- Need Congress to enact a Department of Defense appropriations bill in lieu of extending the Continuing Resolution (CR) for the Department of Defense
- Under a CR,
 - There is a tremendous mismatch of appropriations compared to the request - not enough operating funds, too much procurement funds
 - Inability to increase rate productions hampers planned programs; may result in increased unit costs
 - No new start restrictions affect planned deliveries of equipment to the warfighter
 - DoD could be limited in its ability to counter ISIS
- DoD needs its full appropriation to include:
 - \$30 billion increase to rebuild the Joint Force and to accelerate the campaign to defeat ISIS worldwide
- Full support from Congress is key to:
 - Improving warfighter readiness
 - Providing the most capable, modern force
 - Increasing the BCA funding cap for Defense

FY 2017 President's Budget By Appropriation Title

(Discretionary Budget Authority, Dollars in Billions)

| By Appropriation Title | Prior Requests + Enacted | | | March Request | | | Revised | | |
|------------------------------------|--------------------------|-------------|--------------|---------------|-----------------|--------------|--------------|-------------|--------------|
| | Base* | OCO | Total | Base | OCO | Total | Base | OCO | Total |
| Military Personnel | 135.3 | 3.7 | 139.0 | +1.0 | +0.1 | +1.1 | 136.2 | 3.8 | 140.1 |
| Operation & Maintenance | 206.0 | 50.1 | 256.1 | +7.2 | +3.6 | +10.8 | 213.2 | 53.7 | 266.9 |
| Procurement | 102.6 | 9.9 | 112.5 | +13.5 | +1.0 | +14.5 | 116.0 | 10.9 | 126.9 |
| RDT&E | 71.4 | 0.5 | 71.9 | +2.0 | +0.4 | +2.4 | 73.5 | 0.9 | 74.3 |
| Military Construction | 6.7 | 0.2 | 6.9 | +0.2 | +<0.1 | +0.2 | 6.9 | 0.2 | 7.2 |
| Family Housing | 1.3 | -- | 1.3 | -- | -- | -- | 1.3 | -- | 1.3 |
| Other | 1.4 | 0.1 | 1.5 | +1.0 | +<0.1 | +1.0 | 2.3 | 0.1 | 2.5 |
| TOTAL | 524.6 | 64.6 | 589.2 | +24.9 | +5.1 | +30.0 | 549.6 | 69.7 | 619.2 |
| Defense Bill | 516.6 | 64.4 | 581.0 | +24.7 | +5.1 | +29.8 | 541.3 | 69.5 | 610.7 |
| Military Construction Bill* | 8.0 | 0.2 | 8.2 | +0.2 | +<0.1 | +0.2 | 8.2 | 0.2 | 8.5 |

Numbers may not add due to rounding

***Does not include enacted prior year military construction bill rescissions of \$307.662 million**

Note: Air Force's March request includes a \$12.3 million rescission from Military Construction, Air Force, 15/17

FY 2017 President's Budget By Military Department

(Discretionary Budget Authority, Dollars in Billions)

| By Military Department | Prior Requests + Enacted* | | | FY 2017 March Request | | | Revised | | |
|------------------------|---------------------------|-------------|--------------|-----------------------|-------------|--------------|--------------|-------------|--------------|
| | Base | OCO | Total | Base | OCO | Total | Base | OCO | Total |
| Army | 123.1 | 29.5 | 152.6 | +7.2 | +1.2 | +8.4 | 130.3 | 30.7 | 161.0 |
| Navy | 155.7 | 9.8 | 165.5 | +9.0 | +0.4 | +9.4 | 164.7 | 10.2 | 174.9 |
| Air Force | 151.2 | 16.4 | 167.6 | +6.9 | +0.6 | +7.5 | 158.2 | 17.0 | 175.2 |
| Defense Wide | 94.6 | 9.0 | 103.6 | +1.8 | +2.9 | +4.7 | 96.4 | 11.8 | 108.2 |
| TOTAL | 524.6 | 64.6 | 589.2 | +24.9 | +5.1 | +30.0 | 549.6 | 69.7 | 619.2 |

Numbers may not add due to rounding

Note: Air Force's March request includes a \$12.3 million rescission from Military Construction, Air Force, 15/17

*Does not include prior year military construction bill rescissions of \$307.662 million

For More Information

- Visit the website for the Office of the Under Secretary of Defense (Comptroller) at
 - www.budget.mil
 - Download the Department of Defense's FY 2017 Budget Request



Request For Additional Fiscal Year 2017 Appropriations

March 16, 2017

Office of the Under Secretary of Defense (Comptroller)/CFO