

**Fiscal Year (FY) 2019 President's Budget
Operation and Maintenance, Defense-Wide
Office of the Secretary of Defense**



February 2018

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**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2019 President's Budget**

Operation and Maintenance, Defense-Wide Summary (\$ in thousands)

	FY 2017 <u>Actuals</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2018 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2019 <u>Estimate</u>
OSD	2,122,282	36,517	-546,555	1,612,244	23,857	-116,446	1,519,655

* The FY 2017 Actual column includes \$64,914.0 thousand of FY 2017 Overseas Contingency Operations (OCO) Appropriations Funding (PL 115-31).

* The FY 2018 Estimate column excludes \$34,715.0 thousand of FY 2018 OCO Appropriations Funding.

* The FY 2019 Estimate column excludes \$16,579.0 thousand of FY 2019 OCO Appropriations funding.

*FY 2018 and FY 2019 include \$123.9 million and \$110.8 million, respectively, of non-Function 050 funds for transfer to the Department of the Interior to satisfy the anticipated outstanding U.S. commitment for the 2010 Compact Review Agreement (CRA) with Palau. Under the 1994 U.S.-Palau Compact of Free Association and the CRA, not yet in force, the U.S. agreed to provide economic assistance to the Government of Palau. The Compact achieves U.S. national security objectives, including providing the United States the ability to deny access to Palau's land, water, and air space by other countries' militaries. Palau is indispensable to U.S. national security, and funding the Compact is key to the U.S. strategic presence in the region. The funding will bring the CRA into force and satisfy the outstanding commitment to Palau. The funds are requested as additional funding in a title VIII General Provision in the Department's appropriations request for transfer to the Department of the Interior, and are requested to remain available until expended in accordance with the related General Provision.

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 management, fiscal, and program evaluation responsibilities. OSD includes the immediate offices of the SECDEF and the Deputy Secretary of Defense (DEPSECDEF), Under Secretaries of Defense, the Executive Support Offices and other Core Programs which are listed below:

- Office of the Chief Management Officer (CMO)
- Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics (OUSD(AT&L))
- Office of the Under Secretary of Defense for Policy (OUSD(P))

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2019 President's Budget**

I. Description of Operations Financed (cont.)

- Office of the Under Secretary of Defense Comptroller (OUSD(C))
- Office of the Under Secretary for Personnel and Readiness (OUSD(P&R))
- Office of the Under Secretary for Intelligence (OUSD(I))
- DoD Chief Information Officer (DoD CIO)
- Director, Cost Assessment and Program Evaluation (D,CAPE)
- Defense Test Resource Management Center (DTRMC)
- Strategic Capabilities Office (SCO)
- Assistant Secretary of Defense for Legislative Affairs (ASD(LA))
- Assistant Secretary of Defense for Public Affairs (ASD(PA))
- Director, Operational Test and Evaluation (D,OT&E)
- Office of General Counsel (OGC)
- Director, Net Assessment (D,NA)
- Capital Security Cost Sharing (CSCS)
- Boards, Commissions, and Task Forces (BCTF)

Narrative Explanation of Changes from FY 2018 to FY 2019: The OSD Operation and Maintenance (O&M) FY 2019 budget request is based on the National Defense Strategy (NDS), the DoD strategic guidance, and complies with the SECDEF priorities for continuation of efficiencies and initiatives for the relentless pursuit of innovation and reform. The FY 2019 budget request reflects a net reduction which consists of a price adjustment of +\$23.9 million and a program decrease of -\$116.4 million. The details are included in the programmatic increase and decrease statements in Part III.

Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2019 President's Budget

I. Description of Operations Financed (cont.)

	\$ in Thousands		
	FY 2017	FY 2018	FY 2019
	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
A. <u>Core Operating Program:</u>	338,557	366,612	363,042

The OSD Core Operating Program provides the necessary resources to support effective implementation of the NDS. Funding in this sub-activity group includes all civilian personnel compensation and benefits required for operations of the OSD and the centrally funded support services within OSD.

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

I. Description of Operations Financed (cont.)

<u>Requested FY 2019 Civilian Pay and Benefits for Major OSD Principal Staff Assistants (PSAs):</u>	<u>Civilian Pay (\$K)</u>	<u>Full Time Equivalents (FTEs)</u>
OUSD (AT&L)	79,051	382
OUSD (Comptroller)	35,493	177
OUSD (Intelligence)	31,941	152
OUSD (P&R)	25,285	123
OUSD (Policy)	64,402	333
CMO	20,534	106
D, CAPE	23,518	115
DoD CIO	24,419	112
Strategic Capabilities Office (SCO)	4,150	22
Other DoD Offices	<u>54,249</u>	<u>257</u>
Total Requested Civilian Pay and Benefits	363,042	1,779

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

I. Description of Operations Financed (cont.)

	\$ in Thousands		
	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
B. <u>Other DoD Programs and Initiatives:</u>	445,380	389,585	394,926
Assistant Secretary of Defense for Legislative Affairs (ASD(LA))	1,060	936	947
Assistant Secretary of Defense for Public Affairs (ASD(PA))	5,426	5,836	5,731
Office of General Counsel (OGC)	89	516	492
Office of the Director, Net Assessment (ODNA)	16,676	18,170	17,739
Boards, Commissions and Task Forces (BCTF)	5,398	10,610	10,169
Defense Test Resource Management Center (DTRMC)	3,407	2,806	2,864
Director for Operational Test and Evaluation (DOTE)	292	174	385
Capital Security Cost Sharing (CSCS) (State <u>Dept</u> Bill)	372,804	279,709	287,386
Other DoD Programs and Initiatives (includes Grants, Training, Official Representation Funding (ORF), Republic of Korea Scholarship Fund and <u>Wargaming</u>)	<u>40,228</u>	<u>70,828</u>	<u>69,213</u>
Total Other DoD Programs and Initiatives	445,380	389,585	394,926

- a. Assistant Secretary of Defense Legislative Affairs (ASD(LA)): Serves as the principal staff assistant and advisor to the SECDEF for DoD relations with the U.S. Congress and has overall supervision of DoD legislative affairs. The ASD (LA) promotes the Administration's defense budget and the Department's strategy, legislative priorities, and policies to the U.S. Congress.

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2019 President's Budget**

I. Description of Operations Financed (cont.)

- b. Assistant Secretary of Defense for Public Affairs (ASD(PA)): Serves as the principal staff advisor and assistant to the SECDEF and DEPSECDEF for public information, internal information, community relations, information, training, and audiovisual matters. The ASD (PA) follows the Secretary's guidance in providing Defense Department information to the public, the Congress and the media. The ASD (PA) sponsors the DoD Defense.gov web site, which is the official website of DoD and the starting point for finding U.S. military information online. The ASD (PA) supports all SECDEF press briefings and responds to all public inquiries to the DoD.
- c. Office of General Counsel (OGC): Provides advice to the SECDEF and DEPSECDEF regarding all legal matters and services performed within or involving the DoD.
- d. Office of the Director Net Assessment (ODNA): Supports projects of broad importance to the SECDEF and DEPSECDEF for research in support of the Net Assessment mission. These projects address near- and long-term problems and opportunities for U.S. military forces and policies, as seen from the perspective of the SECDEF. They draw on sources of expertise not available within DoD and that cannot be developed within DoD. This research differs in character and focus from other DoD research programs which are concerned with issues of current or near future policy.
- e. Boards, Commissions, and Task Forces (BCTF): Is a subset of the DoD Federal Advisory Committee Management Program Managed by the Chief Management Office (CMO). The Department's program is mandated by law - the Federal Advisory Committee Act (FACA) of 1972 and the Government in Sunshine Act. Other Federal statutes and regulations impact on DoD FACA Program include the Freedom of Information Act (FOIA), the Privacy Act

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2019 President's Budget**

I. Description of Operations Financed (cont.)

(PA), and the American's with Disability Act (ADA). The Department is required by federal statutes to provide each advisory committee it establishes or supports with resources so the advisory committee can conduct its independent work without undue influence from the Department, Federal employees, military officers, or interest groups. The program also provides resources and funding to support the Defense Business Board, and the 50th Anniversary Vietnam War Commemoration Committee.

- f. Defense Test Resource Management Center (DTRMC): Is a Field Activity under the OUSD(AT&L) created by Congress to complete and maintain a Strategic Plan for Test & Evaluation (T&E) Resources, review and provide oversight of proposed DoD T&E budgets, certify Service and Defense Agency T&E proposed budgets. The TRMC administers Central Test and Evaluation Investment Program (CTEIP) and Test and Evaluation/Science and Technology (T&E/S&T). To accomplish this mission, TRMC exercises oversight of the DoD T&E infrastructure, has a statutory requirement to review and certify the adequacy of the Service and Agency T&E infrastructure Budgets, administers the (T&E/S&T) Program and the CTEIP, provides a persistent distributed capability for the T&E of warfighter capabilities to create a Joint Mission Environment Test Capability (JMETC), and has taken ownership of the National Cyber Range (NCR) to ensure its incorporation in the national T&E infrastructure.
- g. Strategic Capabilities Office (SCO): Creates innovative ways of using existing military and commercial systems to win tomorrow's war and buy time for future technologies to emerge. The SCO identifies, analyzes, and accelerates disruptive and asymmetric applications of existing commercial and government systems and near-term technologies to create operational strategic effects via three mechanisms: crossing or blurring domains, teaming systems, and incorporating enabling commercial technology. Partnering closely with the Military Departments, Combatant Commands, Defense Agencies,

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

I. Description of Operations Financed (cont.)

and the Intelligence Community, the SCO conducts demonstrations, experiments, and prototypes candidate capabilities to reduce upfront risk on potentially game-changing concepts that can be fielded in the near-term (0-5 years) fiscal development period. Currently, SCO's O&M funding resides only in compensation and benefits for personnel.

- h. Director for Operational Test and Evaluation (DOT&E): Title 10, U.S. Code, Section 139 requires the DOT&E to provide guidance and consultation with the SECDEF, OUSD(AT&L) and the Military Departments regarding policies and procedures for the conduct of operational test and evaluation. DOT&E monitors and reviews DoD and Service-level strategic plans, investment programs, and resource management decisions to ensure capabilities necessary for realistic operational tests are supported.
- i. Capital Security Cost Sharing (CSCS): Supports the Department's critical component of building our partnerships with other partners and allies. The request funds the Department's share of the CSCS and Maintenance Cost Sharing (MCS) Program as authorized by section 604 of the Secure Embassy Construction and Counterterrorism Act (SECCA) of 1999. The CSCS also funds the Department's share of the CSCS International Cooperative Administrative Support Services (ICASS) pass through.

	\$ in Thousands		
	FY 2017	FY 2018	FY 2019
	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
C. <u>Under Secretary of Defense</u>			
<u>(Acquisition, Technology, and Logistics)</u>	311,142	301,909	327,212

Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2019 President's Budget

I. Description of Operations Financed (cont.)

FY 2017 Actuals includes \$4,299 thousand of OCO funding. OCO funding is not requested in FY 2018 or FY 2019.

The OUSD(AT&L) is the principal staff assistant and advisor to the SECDEF and the DEPSECDEF for all matters relating to the DoD acquisition system. The primary responsibilities of the OUSD (AT&L) include oversight of all defense acquisition programs and responsibility for military installations and their environments, operational energy plans and programs, major weapons systems, missile defense programs, space and intelligence programs, science and technology, and research and engineering programs. The OUSD(AT&L) focuses on developing new concepts and technologies through science and engineering applications to military problems for defending the homeland and to mitigate emerging threats.

Section 901 of the National Defense Authorization Act for FY 2017 (Public Law 114-328) reorganized the OUSD(AT&L) by amending Title 10, U.S. Code, section 133, to establish the Under Secretary of Defense for Research and Engineering and the Under Secretary of Defense for Acquisition and Sustainment. This reorganization of the OUSD(AT&L) into the two new organizations is not reflected in the FY 2019 President's Budget, and will be reflected in future President's Budget requests.

The OUSD(AT&L) activities include:

- 1) Congressional Mandate:
 - a. Contingency Business Tools
 - b. Chief Financial Officers (CFO) Act Compliance
 - c. Committee on Foreign Investment in the United States (CFIUS)
 - d. Electronic Business Center of Excellence (e-Business COE)
 - e. Legacy Resource Management

Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2019 President's Budget

I. Description of Operations Financed (cont.)

- f. Base Realignment and Closure (BRAC) Round Planning and Analysis
- 2) Improve Acquisition & Logistics Processes:
 - a. Acquisition Program Support Systems (APSS)
 - b. Contingency Contracting
 - c. Corrosion Prevention Program
 - d. Cyber Initiatives
 - e. Defense Management Initiative
 - f. Defense Industrial Base (CIB) Cyber Security
 - g. Defense Installation Spatial Data Infrastructure (DISDI)
 - h. Defense Procurement & Acquisition Policy (DPAP)
 - i. Developmental Test & Evaluation
 - j. Operational Entergy (OE) Office
 - k. Environmental, Safety and Occupational Health (ESOH) in Acquisition
 - l. I&E Business Enterprise Integration (BEI)
 - m. Emerging Contaminants
 - n. Human Capital Initiative
 - o. Industrial Policy Program Support
 - p. Environmental Resiliency
 - q. C3 and Business Systems Integration (CESI)
 - r. Integrated Acquisition Environment (IAE) (GSA Bill)
 - s. The Joint Purchase Card Program Office
 - t. Logistics Systems Modernization Support (LSMS)
 - u. Mission Capabilities (MC)/Systems Engineering (SE)
 - v. Performance Assessment & Root Cause Analysis (PARCA)
 - w. DoD Siting Clearinghouse
 - x. Research, Development, Test and Evaluation (RDT&E) Oversight
 - y. Small Business Program Support

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

I. Description of Operations Financed (cont.)

- z. Space & Intelligence Major Defense Acquisition Program (MDAP) Oversight
- aa. Strategic Sourcing/Category Management
- bb. Countering Weapons of Mass Destruction (CWMD) Sustainment
- cc. AT&L Expert Fellows Program
- dd. Core Services (formerly Management Support)
- 3) Promulgate Policy:
 - a. Transform Procurement Regulations
 - b. Acquisition Visibility (AV)
- 4) Regulatory Requirement:
 - a. Defense Environmental International Cooperation
 - b. Defense International Cooperation Program
 - c. Readiness and Environmental Protection Integration (REPI)
 - d. OSD Analysis and Support
 - e. Treaty Compliance Support
- 5) Other:
 - a. Native American Land Environmental Mitigation Program (NALEMP)

\$ in Thousands

	<u>FY 2017</u> <u>Actuals</u>	<u>FY 2018</u> <u>Estimate</u>	<u>FY 2019</u> <u>Estimate</u>
D. <u>Under Secretary of Defense (Policy):</u>	58,104	174,500	51,152

FY 2017 Actuals includes \$3,741 thousand of OCO funding.
 FY 2018 Estimate excludes \$4,150 thousand of OCO funding.
 FY 2019 Estimate excludes \$5,728 thousand of OCO funding.

Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2019 President's Budget

I. Description of Operations Financed (cont.)

The OUSD(P) is the principal staff assistant and advisor to the SECDEF and the DEPSECDEF for all matters on the formulation of national security and defense policy and the integration and oversight of DoD policy and plans to achieve national security objectives. OUSD(P) represents the Department to foreign governments, international organizations, and the interagency. Funding supports OUSD(P) mission requirements to consistently provide responsive, forward-thinking, and insightful policy advice and support to the SECDEF, and the DoD.

- 1) Defense Critical Infrastructure Protection (DCIP)
- 2) OUSD(P) Operations
- 3) OUSD(P) Mission Support
- 4) International Defense Program
- 5) Rewards Program
- 6) Strategy and Force Development

\$ in Thousands

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
<u>E. Under Secretary of Defense (Comptroller):</u>	101,978	106,850	115,068

The OUSD(C) oversees and sets policy for budget and fiscal matters including financial management, accounting policy and systems, management control systems, budget formulation and execution, and contract audit administration. The office is responsible for the analysis of force planning and programming as a part of the process upon which force structure, system acquisition, and other resource allocation actions are based. The major focus areas are on achieving financial audit goals, sustaining the financial management workforce certification initiative, continuing to support operations of its financial

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

I. Description of Operations Financed (cont.)

systems to improve the production and automation of budget exhibits and to provide full visibility, auditability, and efficiency of the funds distribution process. The activities include:

- 1) Comptroller Initiatives
- 2) Defense Resource Management Institute
- 3) Administrative Support
- 4) Resource Management System

\$ in Thousands

	<u>FY 2017</u> <u>Actuals</u>	<u>FY 2018</u> <u>Estimate</u>	<u>FY 2019</u> <u>Estimate</u>
F. <u>Under Secretary of Defense (Personnel and Readiness)</u>	580,442	51,087	56,348

FY 2017 Actuals includes \$4,890 thousand of OCO funding.
 FY 2018 Estimate excludes \$6,565 thousand of OCO funding.
 FY 2019 Estimate excludes \$6,696 thousand of OCO funding.

The OUSD(P&R) is the principal staff assistant and advisor to the SECDEF for Total Force Management. The OUSD(P&R) develops policies, plans, and programs for Total Force personnel which includes the allocation among DoD Components and between the Active and Reserve components and Reserve Component Affairs. The mission is to promote the effective integration of the Reserve component capabilities into a Cohesive Total Force; health and medical affairs; recruitment, education, training, equal opportunity, compensation, recognition, discipline, and separation of all DoD personnel; interagency

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

I. Description of Operations Financed (cont.)

and intergovernmental activities, special projects, or external requests that create a demand for DoD personnel resources; readiness to ensure forces can execute the National Military Strategy (NMS) along with oversight of military training and its enablers; and quality of life for our military and their families.

- 1) Advancing Diversity and Equal Opportunity
- 2) Assistant Secretary of Defense (Health Affairs) Operations
- 3) Assistant Secretary of Defense (Manpower and Reserve Affairs) Operations
- 4) Corporate Fellows Program (SDCFP)
- 5) Defense Safety Oversight Council (DSOC)
- 6) Defense Readiness Reporting System (DRRS)
- 7) Lost Work Days System (LWD)
- 8) Military Naturalization Support
- 9) Studies Program
- 10) Training Transformation
- 11) Operation Live Well

\$ in Thousands

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
G. <u>Under Secretary of Defense (Intelligence)</u>	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
	128,843	77,622	84,966

FY 2017 Actuals includes \$50,834 thousand of OCO funding.
 FY 2018 Estimate excludes \$24,000 thousand of OCO funding.
 FY 2019 Estimate excludes \$4,155 thousand of OCO funding.

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2019 President's Budget**

I. Description of Operations Financed (cont.)

The OUSD(I) operating budget supports the Under Secretary's role as Principal Staff Assistant and advisor to the SECDEF and the DEPSECDEF regarding intelligence, counterintelligence, security, sensitive activities, and other intelligence-related matters. The budget also supports the OUSD(I)'s role in exercising the SECDEF's authority, direction, and control over, and oversight of the Defense Agencies and DoD Field Activities that are Defense intelligence, counterintelligence, or security Components; and exercises planning, policy, and strategic oversight over all Defense intelligence, counterintelligence, and security policy, plans and programs.

- 1) DDI Warfighter Support (WS)
- 2) DDI Intelligence Strategy, Programs and Resources (ISP&R)
- 3) DDI Intelligence and Security (I&S)
- 4) DDI Technical Collection & Special Programs (TCSP)
- 5) Direct Report Offices (DRO)
 - a. Chief of Staff (CoS) Office
 - b. The Human Capital Management Office (HCMO)
 - c. Congressional Activities
 - d. Special Access Program Central Office (SAPCO)

\$ in Thousands

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
<u>H. Under Secretary of Defense (CAPE)</u>	27,890	26,815	24,313

The Director, CAPE provides critical analyses of DoD programs and independent advice to the SECDEF and the DEPSECDEF regarding the defense program. CAPE develops and analyzes program alternatives, manages the Future Years Defense Program (FYDP), and validates the

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2019 President's Budget**

I. Description of Operations Financed (cont.)

costing and funding of programs throughout DoD. Through competitive sourcing and consolidation, CAPE is reducing the expenditure of funds on contracts, as well as the contractor personnel associated with supporting those contracts.

Wargaming resources are provided for organizational and analytical activities focusing on the execution and improvement of current operational plans and the reinvigoration of Joint combined-arms expertise in order to fully support the DEPSECDEF-specified tasks. These resources support studies and analyses that evaluate wargame results and relate them to strategic objectives. These resources will be used to develop baseline best practices and assess possible alternative approaches to more effectively undertake future wargaming exercises.

1) Long Range Planning

- a. Cost Estimating Analysis and Economic Research
- b. Strategic, C4, and ISR Programs
- c. Irregular Warfare Analysis
- d. Conventional Forces Analytical Support
- e. Defense Program Projection Support (DPP)
- f. Force Structure, Weapons Systems, and Warfighting Analysis
- g. Mobility Capability Analysis
- h. Scenario Analysis and Simulation and Analysis Center (SAC)
- i. Defense Contract and Resource Center
- j. Wargaming and Support for Strategic Analysis

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

I. Description of Operations Financed (cont.)

	\$ in Thousands		
	FY 2017	FY 2018	FY 2019
	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
I. <u>DoD Chief Information Officer</u>	75,792	69,299	66,149

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: communications; frequency spectrum management; network operations; cybersecurity; positioning, navigation, and timing (PNT); and national leadership command, control and communications (C3) capabilities. The DoD CIO develops DoD-wide strategy and policy for the matters above, and for the operation and protection of all DoD IT and information systems, including development and promulgation of enterprise-wide architecture requirements and technical standards.

- 1) Information Systems Security Program (ISSP)
- 2) E-Gov Initiatives and Government-Wide Councils
- 3) Cyber Security Initiative
- 4) Defense Industrial Base, Cyber Security/Information Assurance

	\$ in Thousands		
	FY 2017	FY 2018	FY 2019
	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
J. <u>Office of the Chief Management Officer</u>	54,154	47,965	36,479

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2019 President's Budget**

I. Description of Operations Financed (cont.)

Section 901 of the National Defense Authorization Act for FY 2017 (Public Law 114-328) directed the establishment of the Chief Management Officer (CMO) to improve the quality and productivity of the business operations of the Department, thereby reducing the costs of those operations. The establishment of the CMO supports the President's goal of improving the efficiency, effectiveness, and accountability of the executive branch as outlined in Executive Order 13781 and the SECDEF's focus on creating a more lethal and effective force by allowing the Department to reallocate resources from business operations to readiness and recapitalization of the combat force. The Department will use the establishment of the CMO organization as an opportunity to renew focus on business operations reform.

The Administration Directorate; Oversight & Compliance Directorate; Directorate for Organizational Policy and Decision Support; Directorate for Defense Business Management Analysis & Optimization; and Planning, Performance, & Assessment Directorate within the CMO include the following broad responsibilities: to advise the SECDEF and DoD senior leaders team on organizational and management matters of institutional importance; to oversee the Pentagon Reservation which is the Headquarters of the U.S. Defense establishment and a highly visible symbol of U.S. military power, as well as Defense leased facilities in the National Capital Region (NCR), providing administrative, logistical, facilities, and technological support at those facilities; and oversee DoD Advisory Committee activity, DoD Privacy and Civil Liberties Program, and the DoD Freedom of Information Act Program.

The CMO also has oversight over the Pentagon Force Protection Agency (PFPA) as a Defense Agency and the Washington Headquarters Services (WHS), a DoD Field Support Activity which provides financial, personnel, and other administrative support to OSD and NCR organizations.

Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2019 President's Budget

II. Force Structure Summary:

N/A

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

A. BA Subactivities	FY 2017 Actuals	Budget Request	FY 2018			Current Estimate	FY 2019 Estimate
			Congressional Action				
			Amount	Percent	Appropriated		
BA 01: Operating Forces							
1. Combatant Commanders Exercise Engagement & Training Transformation	518,074	0	0	0.0	0	0	0
Combatant Commanders Exercise Engagement & Training Transformation	518,074	0	0	0.0	0	0	0
BA 04: Administration and Servicewide Activities							
2. Core Operating Program	338,557	366,612	0	0.0	0	366,612	363,042
Compensation & Benefits	338,557	366,612	0	0.0	0	366,612	363,042
3. Other DoD Programs and Initiatives	445,379	389,585	0	0.0	0	389,585	394,926
Capital Security Cost Sharing	372,804	279,709	0	0.0	0	279,709	287,363
Other DoD Programs and Initiatives	72,575	109,876	0	0.0	0	109,876	107,563
4. OUSD (AT&L) Congressional Mandate	22,819	22,419	0	0.0	0	22,419	38,635
BRAC Support	0	2,046	0	0.0	0	2,046	0
CFO Act Compliance	4,269	2,223	0	0.0	0	2,223	2,075

Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

A. BA Subactivities	FY 2017 Actuals	Budget Request	FY 2018			Current Estimate	FY 2019 Estimate
			Congressional Action				
			Amount	Percent	Appropriated		
Committee on Foreign Investment in the US (CFIUS)	0	3,155	0	0.0	0	3,155	23,008
Contingency Business Tools	12,331	8,801	0	0.0	0	8,801	7,961
E-Business COE	2,288	2,233	0	0.0	0	2,233	2,032
Legacy Resource Management Program	3,931	3,961	0	0.0	0	3,961	3,559
5. OUSD (AT&L) Improve Acquisition & Logistics Processes	164,990	152,814	0	0.0	0	152,814	164,712
Threat Reduction and Arms Control (TRAC)	643	0	0	0.0	0	0	3,301
Acquisition Program Support Systems	6,478	6,465	0	0.0	0	6,465	9,780
C3 and Business Integration	5,570	5,046	0	0.0	0	5,046	4,648
Contingency Contracting	3,492	2,090	0	0.0	0	2,090	1,874
Core services	15,068	15,163	0	0.0	0	15,163	14,711
Corrosion Prevention Program	3,974	4,689	0	0.0	0	4,689	4,387
CWMD Expert Fellows Program	2,022	1,962	0	0.0	0	1,962	1,836
CWMD Sustainment	0	6,210	0	0.0	0	6,210	3,632

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

A. BA Subactivities	FY 2017 Actuals	Budget Request	FY 2018			Current Estimate	FY 2019 Estimate
			Congressional Action				
			Amount	Percent	Appropriated		
Cyber Resiliency	0	51	0	0.0	0	51	0
Defense Industrial Base Cyber Security	2,275	2,523	0	0.0	0	2,523	2,527
Defense Innovation Unit (DIUx)	15,659	0	0	0.0	0	0	0
Defense Installation Spatial Data Infra (DISDI)	0	561	0	0.0	0	561	513
Defense Management Initiatives	8,290	7,607	0	0.0	0	7,607	11,030
Defense Procurement & Acquisition Policy (DPAP)	1,327	1,517	0	0.0	0	1,517	1,188
Developmental Test and Evaluation (DT&E)	1,466	1,668	0	0.0	0	1,668	1,541
DoD Siting Clearinghouse	981	2,146	0	0.0	0	2,146	1,605
Emerging Contaminants	921	920	0	0.0	0	920	981
Environment, Safety Occupational Health (ESOH) in Acquisition	2,029	5,223	0	0.0	0	5,223	4,108
Environmental	380	825	0	0.0	0	825	755

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

A. BA Subactivities	FY 2017 Actuals	Budget Request	FY 2018			Current Estimate	FY 2019 Estimate
			Congressional Action				
			Amount	Percent	Appropriated		
Resiliency							
Human Capital Initiative (HCI)	2,574	2,432	0	0.0	0	2,432	2,277
I&E Business Enterprise Integration (Formerly Facilities Program Requirement)	3,108	2,669	0	0.0	0	2,669	2,683
Industrial Policy Program Support	5,723	3,613	0	0.0	0	3,613	16,340
Integrated Acquisition Environment (GSA Bill)	28,862	29,387	0	0.0	0	29,387	29,381
Joint Purchase Card Office	4,985	4,321	0	0.0	0	4,321	4,040
Logistics Systems Modernization (LSM)	18,168	14,051	0	0.0	0	14,051	12,103
Mission Capabilities/Systems Engineering	4,872	5,414	0	0.0	0	5,414	4,763
Operational Energy Plans and Programs (OEP&P) Office	4,207	4,926	0	0.0	0	4,926	4,777
Performance Assessment & Root	9,200	7,870	0	0.0	0	7,870	7,094

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

A. BA Subactivities	FY 2017 Actuals	Budget Request	FY 2018			Current Estimate	FY 2019 Estimate
			Congressional Action				
			Amount	Percent	Appropriated		
Cause Analysis (PARCA) Office							
RDT&E Oversight	1,896	2,530	0	0.0	0	2,530	2,151
SE C3 Cyber Initiative	883	930	0	0.0	0	930	930
Small Business Program Support	4,139	3,661	0	0.0	0	3,661	3,365
Space and Intelligence MDAP Oversight	5,602	5,542	0	0.0	0	5,542	5,560
Strategic Sourcing	196	802	0	0.0	0	802	831
6. OUSD (AT&L) Promulgate Policy	18,511	15,409	0	0.0	0	15,409	13,789
Acquisition Visibility	18,226	14,543	0	0.0	0	14,543	12,900
Transform Procurement Regulations	285	866	0	0.0	0	866	889
7. OUSD (AT&L) Regulatory Requirement	68,103	78,162	0	0.0	0	78,162	77,470
Defense Environment Restoration Account	1,675	0	0	0.0	0	0	0
Defense Environmental International Cooperation	921	960	0	0.0	0	960	0

Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

A. BA Subactivities	FY 2017 Actuals	Budget Request	FY 2018			Current Estimate	FY 2019 Estimate
			Congressional Action				
			Amount	Percent	Appropriated		
International Cooperation Program Support	209	401	0	0.0	0	401	821
Low Observable, CLO	92	95	0	0.0	0	95	95
Readiness & Env. Protection Initiative (REPI)	64,104	75,000	0	0.0	0	75,000	75,000
Treaty Compliance Support	1,102	1,706	0	0.0	0	1,706	1,554
8. OUSD (AT&L) Other	25,400	24,163	0	0.0	0	24,163	23,616
(Native American Land Environmental Mitigation Program (NALEMP))	12,334	12,185	0	0.0	0	12,185	12,041
OSD Studies Fund	10,488	8,847	0	0.0	0	8,847	8,732
OUSD(AT&L) Travel	2,578	3,131	0	0.0	0	3,131	2,843
9. OUSD (AT&L) OCO	4,299	0	0	0.0	0	0	0
OUSD (AT&L) OCO	4,299	0	0	0.0	0	0	0
10. OUSD (AT&L)	7,020	8,942	0	0.0	0	8,942	8,990
Cyber Integration	7,020	8,942	0	0.0	0	8,942	8,990
11. OSD (Policy)	3,741	0	0	0.0	0	0	0
OCO OUSD(Policy)	3,741	0	0	0.0	0	0	0
12. OUSD (Policy)	54,363	174,500	0	0.0	0	174,500	51,152
Defense Critical Infrastructure Programs	1,424	0	0	0.0	0	0	0

Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

A. BA Subactivities	FY 2017 Actuals	Budget Request	FY 2018			Current Estimate	FY 2019 Estimate
			Congressional Action				
			Amount	Percent	Appropriated		
International Defense Programs	4,807	5,967	0	0.0	0	5,967	5,331
Mission Support	10,862	130,773	0	0.0	0	130,773	11,080
OUSD(P) Operations	35,542	30,762	0	0.0	0	30,762	30,985
Rewards Program	1,311	6,373	0	0.0	0	6,373	3,556
Strategy and Force Development	417	625	0	0.0	0	625	200
13. OUSD (Comptroller)	101,978	106,850	0	0.0	0	106,850	115,068
Comptroller Initiatives	90,735	92,184	0	0.0	0	92,184	97,557
Defense Resources Management Institute	1,417	1,422	0	0.0	0	1,422	1,450
OUSD(C) Administrative Support	1,625	1,795	0	0.0	0	1,795	1,831
Resource management System	8,201	11,449	0	0.0	0	11,449	14,230
14. OUSD (P&R)	62,368	51,087	0	0.0	0	51,087	56,348
Advanced Distributed Learning (ADL)	0	700	0	0.0	0	700	4,000
Advancing Diversity & EO	8,492	6,878	0	0.0	0	6,878	6,661
ASD (Health Affairs) Operations	635	600	0	0.0	0	600	600

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

A. BA Subactivities	FY 2017 Actuals	Budget Request	FY 2018			Current Estimate	FY 2019 Estimate
			Congressional Action				
			Amount	Percent	Appropriated		
ASD (Reserve Affairs) Operations	1,009	800	0	0.0	0	800	821
CNP-(P&R) Counter Narcotics Program	7,302	0	0	0.0	0	0	0
Corporate Fellows Program	0	361	0	0.0	0	361	368
Defense Readiness Reporting System (DRRS)	6,385	5,169	0	0.0	0	5,169	5,158
Defense Safety Oversight Council (DSOC)	11,431	8,400	0	0.0	0	8,400	8,400
Lost Work Day System	2,522	2,600	0	0.0	0	2,600	2,400
Military Naturalization Support	3,000	6,800	0	0.0	0	6,800	6,123
OCO OUSD(P&R)	4,890	0	0	0.0	0	0	0
Operation Live Well and Healthy Base Initiative	0	6,354	0	0.0	0	6,354	9,381
OUSD P&R Readiness	402	549	0	0.0	0	549	585
OUSD(P&R) Administrative Support	4,045	3,100	0	0.0	0	3,100	3,000
OUSD(P&R) Travel	468	700	0	0.0	0	700	700

Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

A. BA Subactivities	FY 2017 Actuals	Budget Request	FY 2018			Current Estimate	FY 2019 Estimate
			Congressional Action				
			Amount	Percent	Appropriated		
Studies Program/CASS	3,536	3,000	0	0.0	0	3,000	3,100
Training Transformation	8,251	5,076	0	0.0	0	5,076	5,051
15. OUSD (Intel)	128,843	77,622	0	0.0	0	77,622	84,966
Defense Civilian Intelligence Personnel System (365)	1,727	1,850	0	0.0	0	1,850	1,792
Defense Military Deception Program Office	1,711	2,227	0	0.0	0	2,227	2,268
Defense Operation Security Initiative	2,382	3,736	0	0.0	0	3,736	3,932
Intelligence Mission (365)	68,602	66,161	0	0.0	0	66,161	67,037
Intelligence Mission Data	1,041	938	0	0.0	0	938	5,778
OCO OUSD(INTEL)	50,834	0	0	0.0	0	0	0
Walkoff	2,546	2,710	0	0.0	0	2,710	4,159
16. Director, CAPE	27,890	26,815	0	0.0	0	26,815	24,313
CAPE Travel	316	347	0	0.0	0	347	353
Long-Range Planning	27,574	26,468	0	0.0	0	26,468	23,960
18. DoD Chief Information Officer	75,792	69,299	0	0.0	0	69,299	66,149
CIO Mission	28,273	26,297	0	0.0	0	26,297	34,051

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

A. BA Subactivities	FY 2017 Actuals	Budget Request	FY 2018			Current Estimate	FY 2019 Estimate
			Congressional Action				
			Amount	Percent	Appropriated		
Cyber Security Initiative	12,130	10,903	0	0.0	0	10,903	10,287
Defense Industrial Base, Cyber Security Initiative	2,941	2,566	0	0.0	0	2,566	2,456
DoD CIO Travel	737	681	0	0.0	0	681	681
E-gov, Councils	15,607	18,590	0	0.0	0	18,590	9,000
Information Systems Security Program (ISSP)	16,104	10,262	0	0.0	0	10,262	9,674
19. Chief Management Officer	54,050	47,965	0	0.0	0	47,965	36,479
Administrative Directorate	9,592	2,390	0	0.0	0	2,390	2,335
Compliance & Oversight Directorate	1,735	2,388	0	0.0	0	2,388	2,374
Defense Business Management, Analysis, & Optimization Directorate	34,954	26,485	0	0.0	0	26,485	19,752
Interagency Council & Cross Agency Priority (CAP) Goals	5,661	8,712	0	0.0	0	8,712	6,869

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

A. BA Subactivities	FY 2018							FY 2019 Estimate
	FY 2017 Actuals	Budget Request	Congressional Action			Current Estimate		
			Amount	Percent	Appropriated			
Organizational Policy & Decision Support	2,028	697	0	0.0	0	697	2,143	
Planning, Performance, & Assessment Directorate	80	2,293	0	0.0	0	2,293	3,006	
Women's Military	0	5,000	0	0.0	0	5,000	0	
OCO DDS	105	0	0	0.0	0	0	0	
Total	2,122,282	1,612,244	0	0.0	0	1,612,244	1,519,655	

* The FY 2017 Actual column includes \$64,914.0 thousand of FY 2017 Overseas Contingency Operations (OCO) Appropriations Funding (PL 115-31).

* The FY 2018 Estimate column excludes \$34,715.0 thousand of FY 2018 OCO Appropriations Funding.

* The FY 2019 Estimate column excludes \$16,579.0 thousand of FY 2019 OCO Appropriations funding.

FY 2018 and FY 2019 include \$123.9 million and \$110.8 million, respectively, of non-Function 050 funds for transfer to the Department of the Interior to satisfy the anticipated outstanding U.S. commitment for the 2010 Compact Review Agreement (CRA) with Palau. Under the 1994 U.S.-Palau Compact of Free Association and the CRA, not yet in force, the U.S. agreed to provide economic assistance to the Government of Palau. The Compact achieves U.S. national security objectives, including providing the United States the ability to deny access to Palau's land, water, and air space by other countries' militaries. Palau is indispensable to U.S. national security, and funding the Compact is key to the U.S. strategic presence in the region. The funding will bring the CRA into force and satisfy the outstanding commitment to Palau. The funds are requested as additional funding in a title VIII General Provision in the Department's appropriations request for transfer to the Department of the Interior, and are requested to remain available until expended in accordance with the related General Provision.

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

B. <u>Reconciliation Summary</u>	Change	Change
	<u>FY 2018/FY 2018</u>	<u>FY 2018/FY 2019</u>
Baseline Funding	1,612,244	1,612,244
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)		
Subtotal Appropriated Amount	1,612,244	
Fact-of-Life Changes (2018 to 2018 Only)		
Subtotal Baseline Funding	1,612,244	
Supplemental		
Reprogrammings		
Price Changes		23,857
Functional Transfers		3,935
Program Changes		-120,381
Current Estimate	1,612,244	1,519,655
Less: Wartime Supplemental		
Normalized Current Estimate	1,612,244	

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2018 President's Budget Request (Amended, if applicable)		1,612,244
1. Congressional Adjustments		
a. Distributed Adjustments		
b. Undistributed Adjustments		
c. Adjustments to Meet Congressional Intent		
d. General Provisions		
FY 2018 Appropriated Amount		1,612,244
2. War-Related and Disaster Supplemental Appropriations		
3. Fact-of-Life Changes		
FY 2018 Baseline Funding		1,612,244
4. Reprogrammings (Requiring 1415 Actions)		
Revised FY 2018 Estimate		1,612,244
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings		
FY 2018 Normalized Current Estimate		1,612,244
6. Price Change		23,857
7. Functional Transfers		3,935
a. Transfers In		
1) Compensation and Benefits - DoD Consolidated Audit Readiness	414	
Transfers resources from the OUSD(C) to the OUSD(AT&L)for FTEs supporting the DoD Inspector General (DoDIG) Group Auditor in their efforts to perform an audit of the DoD's consolidated financial statement. This effort will validate the internal controls and substantive testing of the Tier 3 and Tier 4 reporting entities that are material to the overall DoD financial statement. Assigned personnel will specifically support the Chemical Biological		

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
Defense Program (CBDP). (FY 2018 Baseline: \$366,612 thousand; +2 FTEs)		
2) OUSD(C) - Audit	5,000	
Transfers resources previously provided to the Department of Defense Inspector General (DoDIG) for contract support for the DoD Consolidated Audit from the DoDIG to the OUSD(C). The transfer properly aligns the resources to the executing organization for contract support necessary to meet the FY 2010 National Defense and Authorization Act (NDAA) requirement for auditable financial statements. (FY 2018 Baseline: \$92,184 thousand; +0 FTEs)		
3) OUSD(P&R) - Operation Live Well and Healthy Base Initiative	2,900	
Transfers funds from the Defense Health Agency (DHA) to OUSD(P&R) to support alcohol and tobacco counter-marketing initiatives. The transfer redefines the program from a medical treatment initiative to a personnel readiness program, which provides services and materials in support of the continuing efforts to inform, educate, prevent, and support the cessation of substance misuse. (FY 2018 Baseline: \$6,354 thousand; +0 FTEs)		
b. Transfers Out		
1) Compensation and Benefits - The Armed Forces Retirement Home (AFRH)	-173	
Transfers one Full Time Equivalent (FTE) and associated funding in accordance with the Deputy Secretary of Defense's February 14, 2017 memorandum,		

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
<p>"Armed Forces Retirement Home Solvency Strategy", the authority, direction, and control of the AFRH and its Chief Operating Officer transferred from the Under Secretary of Defense (Personnel & Readiness) to the Chief Management Officer (CMO). The CMO was assigned responsibility for AFRH liaison functions to its DoD Field Activity, the Washington Headquarters Services, which is the receiving organization. This transfer will improve the efficiency and effectiveness of the DoD oversight of the AFRH management and operations. (FY 2018 Baseline: \$366,612 thousand; -1 FTEs)</p>		
<p>2) OUSD(C) - Comptroller Initiatives - Audit Readiness of the Fourth Estate</p> <p>In order to support the DoD consolidated full financial statement audit, resources are transferred to Tier 3 and 4 reporting entities to fund dedicated support to assist with all phases of the audit at each agency. (FY 2018 Baseline: \$92,184 thousand; +0 FTEs)</p>	-4,206	
<p>8. Program Increases</p>		80,537
<p>a. Annualization of New FY 2018 Program</p>		
<p>b. One-Time FY 2019 Increases</p>		
<p>1) OUSD(AT&L) - Committe on Foreign Investments in the U.S. (CFIUS)</p> <p>Adversaries are targeting U.S. capabilities with the potential to degrade core U.S. military technological advantages. The exploitation of technology and know-how, primarily of unclassified technology, threatens DoD ability to maintain the technology advantage</p>	19,796	

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
<p>required to create military capabilities and resultant force structure necessary to carry out U.S. National Security missions. The one-time increase supports a targeted effort to restore the DoD technological advantage by enhancing the Department's tools and techniques for protection against unwanted technology transfer and to combat adversaries' attempts to thwart U.S. technology security mechanism. (FY 2018 Baseline: \$3,155 thousand; +0 FTEs)</p>		
<p>2) OUSD(AT&L) - Industrial Policy Program Support Adversaries are targeting U.S. capabilities with the potential to degrade core U.S. military technological advantages. The exploitation of technology and know-how, primarily of unclassified technology, threatens DoD's ability to maintain the technological advantage required to create military capabilities and resultant force structure necessary to carry out U.S. National Security missions. The one-time increase supports a targeted effort to restore the DoD technology advantage by promoting strategic investment designed to access new and innovative technology. (FY 2018 Baseline: \$3,613 thousand; +0 FTEs)</p>	12,662	
<p>c. Program Growth in FY 2019</p>		
<p>1) CMO - Organizational Policy and Decision Support (OP&DS)</p>		
<p>Increase properly funds the OP&DS budget. Funds were previously erroneously identified as belonging to the</p>	1,433	

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases

	<u>Amount</u>	<u>Totals</u>
Intelligence Oversight Directorate. The program has been properly titled and funds continue providing decision support services and management policy support necessary for assistance with the stand-up/stand-down, reorganization, and policy development and implementation of DoD organizations. Intelligence oversight funding is embedded in the Oversight and Compliance Directorate funding totals. (FY 2018 Baseline: \$697 thousand; +0 FTEs)		
2) CMO - Planning, Performance, and Assessment Increase fully funds requirements to support the establishment of performance metrics for investments, the performance metrics line of business, and provides additional support to the Interagency Lines of Business and Cross Agency Priority (CAP) goals. (FY 2018 Baseline: \$2,293 thousand; +0 FTEs)	672	
3) Compensation and Benefits - CMO Intelligence Oversight Personnel Enhancement Increase of three FTEs and associated funding supports the Special Intelligence Oversight Office (SIOO), which oversees the intelligence activities of 26 DoD entities. The additional +3 FTEs will support the SIOO mission by conducting inspections and investigations; preparing, updating, and implementing DoD policies; and preparing reports. (FY 2018 Baseline: \$366,612 thousand; +3 FTEs)	597	
4) Compensation and Benefits - One Additional Compensable Day One additional compensable day is added for FY 2019.	1,017	

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
The number of paid work days changes from 260 in FY 2018 to 261 in FY 2019. (FY 2018 Baseline: \$366,612 thousand; +0 FTEs)		
5) Compensation and Benefits - Workforce Right-Sizing Increase reflects the continued plan to influence major headquarters as part of the DoD agenda and maintain the appropriate level of workforce. This initiative allows select DoD elements to restore 18 priority FTEs that were eliminated, but ultimately were deemed essential by the Department's senior leadership. The DoD elements impacted are: DOT&E +4; CAPE +1; ODNA +1; OUSD(P&R) +1; ASD(LA) +2; OGC +3; and OUSD(P) +6. (FY 2018 Baseline: \$366,612 thousand; +18 FTEs)	3,053	
6) DOD-CIO - Mission Increase in funding represents a realignment of contractor support functions from the E-Gov, Councils line to the Mission budget line. This realignment supports government-wide IT management requirements related to IT enterprise architectures, transparency, information sharing, advancement and integration of commercial technologies, information resource management, shared IT services, cloud capabilities, data center consolidation, Section 508 compliance, and related activities. Resources fully fund the expected FY 2019 contributions for the Interagency Councils. (FY 2018 Baseline: \$26,297 thousand; +0 FTEs)	4,781	
7) DOD-CIO - Mission	2,500	

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
Increase funds the implementation and standardization of IT automated patch management capabilities across the Fourth Estate organizations. (FY 2018 Baseline: \$26,297 thousand; +0 FTEs)		
8) Other DoD Programs and Initiatives - Capital Security Cost Sharing	2,619	
The increase fully funds the FY 2019 Statement of Charges from the Department of State for CSCS. (FY 2018 Baseline: \$282,768 thousand; +0 FTEs)		
9) Other DoD Programs and Initiatives - DOT&E - Operations	208	
Increase supports an effort to migrate, implement, and sustain the DoD Non-Classified Internet Protocol Router (NIPR) Network Demilitarized Zone (DMZ). The effort requires all public-facing restricted and restricted Internet websites to migrate to a DoD DMZ extension or a DoD Enterprise Cloud Service Broker approved cloud security model-compliant computing environment. The DOT&E has one public-facing website and one common access card-enabled website that must be migrated and sustained. (FY 2018 Baseline: \$174 thousand; +0 FTEs)		
10) Other DoD Programs and Initiatives - DTRMC - Operations	7	
Increase supports additional partial IPA resources to allow the DTRMC to meet its increased oversight and management responsibilities due to steadily increasing mission programs requirements. (FY 2018 Baseline: \$2,806 thousand; +0 FTEs)		

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases

	<u>Amount</u>	<u>Totals</u>
11) OUSD(AT&L) - Acquisition Program Support System Increase provides sustainment for AT&L's mission application enclave that migrated into the Defense Information Service Agency (DISA) MilCloud infrastructure. This supports DoD/CIO Defense Business System direction to leverage DoD Enterprise IT Infrastructure for processing, storage and transport including externally provided cloud services available through the DoD Enterprise Cloud Service Broker. (FY 2018 Baseline: \$6,465 thousand; +0 FTEs)	3,593	
12) OUSD(AT&L) - Defense Management Initiatives Increase supports additional evaluations for concepts, approaches, policies, and systems related to improvements to defense installations' services and facilities management. (FY 2018 Baseline: \$7,607 thousand; +0 FTEs)	3,286	
13) OUSD(AT&L) - Emerging Contaminants Increase funds additional services pertaining to management and professional support, studies, analyses, evaluations, and technical support as requirements for the identification, assessment, responsiveness, and risk management of Emerging Contaminant threats have increased. (FY 2018 Baseline: \$920 thousand; +0 FTEs)	44	
14) OUSD(AT&L) - International Cooperation Program Support Increase supports a targeted effort to restore the DoD technology advantage by enhancing the	418	

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
Department's tools and techniques for protection against unwanted technology transfer and to combat adversaries' attempts to thwart U.S. technology security mechanism. (FY 2018 Baseline: \$401 thousand; +0 FTEs)		
15) OUSD(AT&L) - Strategic Sourcing Increase supports the additional partial personnel cost of a new Intergovernmental Personnel Act (IPA) contract support agreement. Funds allow the continuous analyses required to aid in performance optimization, price minimization, increased achievement of acquisition goals, and evaluation of total life cycle management costs. (FY 2018 Baseline: \$802 thousand; +0 FTEs)	15	
16) OUSD(AT&L) - Threat Reduction and Arms Control (TRAC) +\$2,690 thousand reflects the realignment from the OUSD(AT&L) CWMD Sustainment budget line to this budget line to more accurately account for the oversight funding for this program. +\$611 thousand reflects increased contracted support services (including contractor's travel expenses) required to support efforts in Cooperative Threat Reduction (CTR) and Nuclear Arms Controls Technology (NACT). (FY 2018 Baseline: \$0 thousand; +0 FTEs)	3,301	
17) OUSD(AT&L) - Transform Procurement Regulations Increase supports the additional cost of a contracted Firm Fixed Price effort for services pertaining to management and professional support, studies,	7	

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
analyses, evaluations, and technical support. (FY 2018 Baseline: \$866 thousand; +0 FTEs)		
18) OUSD(C) - Comptroller Initiatives	3,950	
Increase reflects contract support for the second year requirement for Independent Public Accountant and remediation contracts necessary to meet FY 2010 National Defense and Authorization Act (NDAA) requirement for auditable financial statements.		
19) OUSD(C) - Resource Management System	2,577	
Increase supports an effort to implement, migrate to, and sustain OUSD(C) websites in a DoD Non-Classified Internet Protocol Router (NIPR) Network Demilitarized Zone (DMZ). The effort requires all public-facing restricted and restricted Internet websites to migrate to a DoD DMZ extension or a DoD Enterprise Cloud Service Broker approved cloud security model-compliant computing environment. The impacted OUSD(C) websites and applications are Guidanceweb, Exhibit Automation System, Financial Management Online/myLearn, and OSD MAX shared services. (FY 2018 Baseline: \$11,449 thousand; +0 FTEs)		
20) OUSD(I) - Defense Operations Security Initiative	130	
Increase provides contractor capability growth in denying collection of critical information across the spectrum of DoD operations and focuses on countering technical and remote sensing technology that adversaries use to collect and exploit U.S. vulnerabilities. (FY 2018 Baseline: \$3,736 thousand; +0 FTEs)		

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
21) OUSD(I) - Intelligence Mission Data The increase is a result of the realignment of funding from RDT&E to O&M as this effort transitions from development to maintenance and sustainment efforts. The increase provides contractor personnel support to the Intelligence Mission Data (IMD) Center and the assessment of IMD investment tradeoffs as well as supporting data analytics and decision support tools; verifying IMD investment combinations derived from Cost Capability Analyses conducted for individual platforms and enterprises; establishing new architecture to increase efficiency for IMD mission data files for operational forces; and modeling and simulation. Increase also provides one JDA to serve as the Deputy of the AIR Task Force. (FY 2018 Baseline: \$938 thousand; +0 FTEs)	4,826	
22) OUSD(I) - Walkoff Increase supports Classified program. (FY 2018 Baseline: \$2,710 thousand; +0 FTEs)	1,400	
23) OUSD(P&R) - Advanced Distributed Learning Increase provides additional funds in order to implement and maintain the Pervasive Learning System (PERLS). PERLS is a smartphone-based micro-learning application that enables the Services/Joint Staff to deliver on-demand training, leading to increased exposure to learning content, improved training outcomes, greater personnel readiness, and improved training sustainment. (FY 2018 Baseline: \$700 thousand; +0 FTEs)	3,300	

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
24) OUSD(P&R) - Manpower & Reserve Affairs (M&RA) Increase funds the additional contractor cost for analyses associated with research supporting total force management. (FY 2018 Baseline: \$800 thousand; +0 FTEs)	5	
25) OUSD(P&R) - Readiness Funding supports an increase in analytical contract re-competing efforts for contract services pertaining to management and professional support, studies, analyses, evaluations, and technical support in Reserve component readiness, equipment and transformation initiatives, DISDI Portal geospatial, and production. (FY 2018 Baseline: \$549 thousand; +0 FTEs)	25	
26) OUSD(P&R) - Studies Program/Contractor Assistance and Advisory Service Increase reflects contract support requirements needed to meet research, study, and analytic requirements for which independent, third party assessment are necessary. (FY 2018 Baseline: \$3,000 thousand)	40	
27) OUSD(P) - Mission Support +\$2,185 thousand supports increased OSD Policy IT costs resulting from a change in funding structure of Policy's main IT provider to fee for service. +\$830 thousand also includes a consolidation of funding from Strategy and Force Development (\$438 thousand); and Policy Operation (\$392 thousand). The realignment of funds will more accurately account for	3,015	

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
the required activities. (FY 2018 Baseline: \$6,873 thousand; +0 FTEs)		
28) OUSD(P) - Mission Support (NIPR DMZ)	1,260	
Increase supports an effort to implement, migrate to, and sustain OUSD(P) websites in a DoD Non-Classified Internet Protocol Router (NIPR) Network Demilitarized Zone (DMZ). The effort requires all public-facing restricted and restricted Internet websites to migrate to a DoD DMZ extension or a DoD Enterprise Cloud Service Broker approved cloud security model-compliant computing environment. The impacted OUSD(P) websites that must be migrated are Microsoft SharePoint and Dynamics CRM 2011. (FY 2018 Baseline: \$6,873 thousand; +0 FTEs)		
9. Program Decreases		-200,918
a. Annualization of FY 2018 Program Decreases		
b. One-Time FY 2018 Increases		
1) CMO - Women In Military Service For America (WMSA) Memorial	-5,090	
The decrease completes the second year funding of a two year plan to provide financial support for the acquisition installation and maintenance for exhibits, facilities, historical displays, and programs at Military Services memorials and museum that highlight the role of women in the military. (FY 2018 Baseline: \$5,000 thousand; +0 FTEs)		
2) DoD-CIO - Federal Risk and Authorization Management Program (FedRamp)	-2,647	
Decrease reflects a one-time increase in FY 2018 for		

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
<p>initiatives supporting a standardized approach to the security assessment, authorization, and continuous monitoring of cloud computing and services. FedRAMP is designed to help accelerate the adoption of secure cloud computing by extending assessments and authorizations across the government. (FY 2018 Baseline: \$18,590 thousand; +0 FTEs)</p>		
<p>3) OUSD(P) - Mission Support (Palau) The decrease reflects a one-time FY 2018 increase to support the Palau Compact. Under the 1994 U.S.-Palau Compact of Free Association and the related 2010 Compact Review Agreement (CRA) the United States agreed to provide economic assistance to the Government of Palau. The Compact achieves U.S. national security objectives, including through the U.S. ability to deny access to Palau's land, water, and air space by other countries' militaries. This funding was transferred to the Department of the Interior. (FY 2018 Baseline: \$123,900 thousand; +0 FTEs)</p>	-126,130	
<p>c. Program Decreases in FY 2019</p>		
<p>1) CAPE - Long Range Planning Decrease reflects a continual effort to right-size the Long Range Planning program as a result of the FY 2018 consolidation of CAPE's Industrial Base Studies and Future Years Defense Program (FYDP) Improvement programs. The program supports the DEPSECDEF's vision while finding cost efficiencies within contract support areas. (FY 2018 Baseline: \$26,468 thousand;</p>	-2,813	

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
+0 FTEs)		
2) CAPE - Services Requirements Review Board (SRRB) Decrease is to align with SRRB reductions as part of the DoD reform agenda, the incremental reduction accounts for additional consolidation and reduction of service contracts. (FY 2018 Baseline: \$26,468 thousand; +0 FTEs)	-172	
3) CMO - Defense Business Management, Analysis, & Optimization Directorate Decrease reflects expected reduced requirements for lines of business in support of DoD reforms. Beginning at the end of FY 2017 and start of FY 2018, the DoD reform teams are expected to last between 18-24 months. The CMO provides lines of business support to the various reform teams, however, lines of business support typically does not last the entire duration of the reform teams. (FY 2018 Baseline: \$26,485 thousand; +0 FTEs)	-7,109	
4) CMO - Interagency Council & Cross Agency Priority (CAP) Goals Decrease reflects reduced requirements for CMO support to interagency councils. Despite the reduction, the CMO is properly resourced to fully fund the CAP goals at expected DoD FY 2019 contribution levels. (FY 2018 Baseline: \$8,712 thousand; +0 FTEs)	-2,000	
5) CMO - SRRB Decrease is to align with SRRB reductions as part of the DoD reform agenda, the incremental reduction	-255	

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
accounts for consolidation and reduction of service contracts. (FY 2018 Baseline: \$47,965 thousand; +0 FTEs)		
6) Compensation and Benefits - Major Headquarters Activities (MHA)	-9,630	
Decrease reflects plan for streamlining major headquarters as part of the DoD reform agenda that eliminates 44 civilian full-time equivalent positions and resources to maintain civilian staff at approved levels. The impacted DoD elements are: AT&L -11; CAPE -5; USD-C -3; Intel -6; P&R -6; Policy -6; ASD(LA) -1; ASD(PA)-2; OGC -2; and SECDEF -2. (FY 2018 Baseline: \$366,612 thousand; -44 FTEs)		
7) Compensation and Benefits - Voluntary Separation Incentives	-708	
Decrease reflects an estimated reduction in the number of voluntary separation incentives utilized, aligning the program closer to year of execution estimates. (FY 2018 Baseline: \$366,612 thousand; +0 FTEs)		
8) DoD-CIO - Cyber Security Initiative - SRRB	-812	
Decrease is to align with SRRB reductions as part of the DoD reform agenda. The incremental reduction accounts for consolidation and reduction of service contracts. (FY 2018 Baseline: \$10,903 thousand; +0 FTEs)		
9) DoD-CIO - Defense Industrial Base	-156	
As a result of additional efficiencies achieved, the decrease reflects a reduction in contractor support		

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
and related contractor travel for the Defense Industrial Base Cyber Security/Information Assurance (DIB CS/IA) program. This reduction in contractor support will be spread across the DIB CS/IA program responsibilities for continuing and furthering DoD-Wide collaboration with the DIB partners from private industry. (FY 2018 Baseline: \$2,566 thousand; +0 FTEs)		
10) DoD-CIO - E-Gov, Councils Realignment of contractor support functions from the E-Gov, Councils program to CIO Mission. This realignment supports government-wide IT management requirements related to IT enterprise architectures, transparency, information sharing, advancement and integration of commercial technologies, information resource management, shared IT services, cloud capabilities, data center consolidation, Section 508 compliance, and related high priority activities. The E-Gov, Councils program is still resourced to minimum expected levels as prescribed by the Office of Management and Budget (OMB). (FY 2018 Baseline: \$18,590 thousand; +0 FTEs)	-4,781	
11) DoD-CIO - Mission The decrease supports a reduction in contractor support for information resources management, records management, and Paperwork Reduction Act requirements. (FY 2018 Baseline: \$18,590 thousand; +0 FTEs)	-2,626	
12) DoD-CIO - SRRB Decrease is to align with SRRB reductions as part of	-644	

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
the DoD reform agenda, the incremental reduction accounts for consolidation and reduction of service contracts. (FY 2018 Baseline: \$69,299 thousand; +0 FTEs)		
13) DoD-CIO - Travel Decrease in travel costs by more efficient use of Video Teleconferencing (VTC) in lieu of travel and, where possible, consolidation of mission travel requirements into fewer trips. (FY 2018 Baseline: \$681 thousand; +0 FTEs)	-12	
14) Other DoD Programs and Initiatives - ASD(PA) - Operations Decrease reflects a reduced requirement for contract support providing engineering and technical support services. (FY 2018 Baseline: \$5,836 thousand; +0 FTEs)	-159	
15) Other DoD Programs and Initiatives - ASD(PA) - SRRB Decrease is to align with SRRB reductions as part of the DoD reform agenda, the incremental reduction accounts for consolidation and reduction of service contracts. (FY 2018 Baseline: \$5,836 thousand; +0 FTEs)	-51	
16) Other DoD Programs and Initiatives - BCTF Decrease reflects a reduction in contracts and expenditures for the 50th Anniversary Vietnam War Memorial, the Defense Advisory Committee on Investigation, Prosecution, and Defense of Sexual Assault in the Armed Forces (DAC-IPAD). The decrease also reflects a phasing out of the BCTF Quadrennial	-915	

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
Review of Military Compensation and the Quadrennial Independent Review as both boards are expected to conclude. (FY 2018 Baseline: \$10,610 thousand; +0 FTEs)		
17) Other DoD Programs and Initiatives - BCTF - SRRB Decrease is to align with SRRB reductions as part of the DoD reform agenda, the incremental reduction accounts for consolidation and reduction of service contracts. (FY 2018 Baseline: \$10,610 thousand; +0 FTEs)	-34	
18) Other DoD Programs and Initiatives - ODNA - Operations Decrease reflects reduced contract support for studies, analyses, evaluations, and technical support pertaining to the development of future warfare scenarios. (FY 2018 Baseline: \$18,170 thousand; +0 FTEs)	-758	
19) Other DoD Programs and Initiatives - OGC - Operations Decrease reflects less travel due to reduction in staff member assignments outside of the National Capital Region and the increased use of teleconferencing, in lieu of travel and, where possible, consolidation of mission travel requirements into fewer trips. (FY 2018 Baseline: \$516 thousand; +0 FTEs)	-33	
20) Other DoD Programs and Initiatives - SECDEF Travel and Support Decrease reflects an expected reduction in official	-1,066	

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
travel and associated support costs. (FY 2018 Baseline: \$7,826 thousand; +0 FTEs)		
21) Other DoD Programs and Initiatives - SECDEF Wargaming	-1,667	
Decrease reflects a reduction in anticipated studies and analyses to support the Wargaming and Warfighting Lab Incentive Fund (WLIF). (FY 2018 Baseline: \$59,943 thousand; +0 FTEs)		
22) OUSD(AT&L) - Acquisition Visibility	-1,905	
Decrease due to cost reductions related to transitioning a legacy Acquisition Visibility reporting system to a modular open source analytical capability. (FY 2018 Baseline: \$14,543 thousand; +0 FTEs)		
23) OUSD(AT&L) - Base Realignment and Closure Act (BRAC) Planning and Analyses	-2,083	
Decrease reflects not requesting funding for studies and analyses related to BRAC authorization planning. (FY 2018 Baseline: \$2,046 thousand; +0 FTEs)		
24) OUSD(AT&L) - C3 and Business Integration	-489	
Decrease reflects reduced requirements for services pertaining to management and professional support, studies, analyses, evaluations, and technical support. (FY 2018 Baseline: \$5,046 thousand; +0 FTEs)		
25) OUSD(AT&L) - CFO Act Compliance	-188	
Decrease reflects reduced requirements for services pertaining to management and professional support, studies, analyses, evaluations, and technical support. (FY 2018 Baseline: \$2,223 thousand; +0 FTEs)		

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
26) OUSD(AT&L) - Contingency Business Tools Decrease reflects reduced requirements for services pertaining to management and professional support, studies, analyses, evaluations, and technical support. (FY 2018 Baseline: \$8,801 thousand; +0 FTEs)	-998	
27) OUSD(AT&L) - Contingency Contracting Decrease reflects reduced requirements for services pertaining to management and professional support, studies, analyses, evaluations, and technical support. (FY 2018 Baseline: \$2,090 thousand; +0 FTEs)	-254	
28) OUSD(AT&L) - Core Services Decrease reflects reduced requirements for services pertaining to management and professional support, studies, analyses, evaluations, and technical support. (FY 2018 Baseline: \$15,163 thousand; +0 FTEs)	-706	
29) OUSD(AT&L) - Corrosion Prevention Program The decrease in funding reflects a reduction in the contract support for policy development and implementation technology insertion, metrics collections, specifications and standards, training, and industry outreach. (FY 2018 Baseline: \$4,689 thousand; +0 FTEs)	-386	
30) OUSD(AT&L) - CWMD Expert Fellows Program The decrease in funding is the result of additional consolidation and reduction of required support. (FY 2018 Baseline: \$1,962 thousand; +0 FTEs)	-161	
31) OUSD(AT&L) - CWMD Sustainment Decrease reflects the realignment of this funding	-2,690	

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
into the OUSD(AT&L) Threat Reduction and Arms Control (TRAC) budget line to more accurately reflect the funding to support oversight of those programs. (FY 2018 Baseline: \$6,210 thousand; +0 FTEs)		
32) OUSD(AT&L) - Cyber Integration and Resiliency Decrease reflects reduced requirements for services pertaining to management and professional support, studies, analyses, evaluations, and technical support. (FY 2018 Baseline: \$8,942 thousand; +0 FTEs)	-167	
33) OUSD(AT&L) - Defense Environmental International Cooperation Decrease supports the decision to terminate the DEIC program to fund higher priorities. (FY 2018 Baseline: \$1,494 thousand; +0 FTEs)	-977	
34) OUSD(AT&L) - Defense Industrial Base Cyber Security Decrease reflects reduced requirements for services for technical support services, particularly the Cyber Crime Center (DC3). (FY 2018 Baseline: \$2,523 thousand; +0 FTEs)	-41	
35) OUSD(AT&L) - Defense Installation Spatial Data Infrastructure (DISDI) Decrease reflects a reduction in contractor support for DISDI capacity that provides maps and geospatial analysis support to AT&L and Energy, Installations & Environment. (FY 2018 Baseline: \$561 thousand; +0 FTEs)	-58	
36) OUSD(AT&L) - DoD Siting Clearinghouse Decrease reflects reduced requirements for O&M services pertaining to management and professional	-580	

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
support, studies, analyses, evaluations, and technical support. Funding realigned to RDT&E to support Clearinghouse requirements (FY 2018 Baseline: \$2,146 thousand; +0 FTEs)		
37) OUSD(AT&L) - E-Business COE Decrease reflects reduced requirements for services pertaining to management and professional support, studies, analyses, evaluations, and technical support. (FY 2018 Baseline: \$2,223 thousand; +0 FTEs)	-241	
38) OUSD(AT&L) - Environment, Safety and Occupational Health (ESOH) in Acquisition Decrease reduces contracts and normalizes funding requirements to expected level of effort for assessments and analyses. (FY 2018 Baseline: \$5,223 thousand; +0 FTEs)	-1,209	
39) OUSD(AT&L) - Environmental Resiliency Decrease reflects reduced requirements for services pertaining to management and professional support, studies, analyses, evaluations, and technical support. (FY 2018 Baseline: \$825 thousand; +0 FTEs)	-82	
40) OUSD(AT&L) - Human Capital Initiative (HCI) Decrease reflects reduced requirements for services pertaining to management and professional support, studies, analyses, evaluations, and technical support. (FY 2018 Baseline: \$2,432 thousand; +0 FTEs)	-199	
41) OUSD(AT&L) - I & E Business Enterprise Integration Decrease reflects reduced requirements for services pertaining to management and professional support, studies, analyses, evaluations, and technical	-34	

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
support. (FY 2018 Baseline: \$2,669 thousand; +0 FTEs)		
42) OUSD(AT&L) - Integrated Acquisition Environment (GSA Bill)	-535	
Decrease reflects an adjustment due to a revision of the GSA bill for e-Government shared service costs for federally mandated procurement related systems. (FY 2018 Baseline: \$29,387 thousand; +0 FTEs)		
43) OUSD(AT&L) - Joint Purchase Card Office	-359	
Decrease reflects reduced requirements for services pertaining to management and professional support, studies, analyses, evaluations, and technical support. (FY 2018 Baseline: \$4,321 thousand; +0 FTEs)		
44) OUSD(AT&L) - Legacy Resource Management Program	-473	
Decrease reflects reduced requirements for services pertaining to management and professional support, studies, analyses, evaluations, and technical support. (FY 2018 Baseline: \$3,961 thousand; +0 FTEs)		
45) OUSD(AT&L) - Logistics Systems Modernization (LSM)	-2,201	
Decrease reflects reduced requirements resulting from a continuation of efficiency initiatives in contract services, management and professional support, studies, analyses, evaluations, and technical support. (FY 2018 Baseline: \$14,051 thousand; +0 FTEs)		
46) OUSD(AT&L) - Low Observable, CLO	-2	
Decrease reflects reduced requirements for services pertaining to management and professional support, studies, analyses, evaluations, and technical support. (FY 2018 Baseline: \$95 thousand; +0 FTEs)		

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
47) OUSD(AT&L) - Mission Capabilities/Systems Engineering Decrease reflects reduced requirements for services pertaining to management and professional support, studies, analyses, evaluations, and technical support and systems engineering risk assessments. (FY 2018 Baseline: \$5,414 thousand; +0 FTEs)	-748	
48) OUSD(AT&L) - Native American Land Environmental, Mitigating Program (NALEMP) The decrease in funding is the result of additional consolidation and reduction of required support. (FY 2018 Baseline: \$12,185 thousand; +0 FTEs)	-361	
49) OUSD(AT&L) - Operational Energy Plans and Programs (OEP&P) Office The decrease reflects a reduction in contract support for Operational Energy plans and programs by combining and trimming tasks for technical and analytical tasks. (FY 2018 Baseline: \$4,926 thousand; +0 FTEs)	-238	
50) OUSD(AT&L) - OSD Studies Fund Decrease reflects a reduction for studies and analyses in the focus areas of installation management, international cooperation and security strategies, logistical and energy infrastructure, and force sustainment. (FY 2018 Baseline: \$8,847 thousand; +0 FTEs)	-274	
51) OUSD(AT&L) - Performance Assessment & Root Cause Analysis (PARCA) Office Decrease reflects reduced requirements for services	-896	

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
pertaining to management and professional support, studies, analyses, evaluations, and technical support. (FY 2018 Baseline: \$7,870 thousand; +0 FTEs)		
52) OUSD(AT&L) - RD&TE Oversight	-419	
Decrease reflects reduced requirements for services pertaining to management and professional support, studies, analyses, evaluations, and technical support. (FY 2018 Baseline: \$2,530 thousand; +0 FTEs)		
53) OUSD(AT&L) - Readiness Environmental Protection Initiative (REPI)	-1,350	
The REPI program provides funding to the Services in support of cooperative agreements with state and local communities to acquire key conservation easements around military installations. Decrease reflects a reduction in the number of cooperative security agreements to be funded in FY 2019. (FY 2018 Baseline: \$75,000 thousand; +0 FTEs)		
54) OUSD(AT&L) - SE C3 Cyber Initiative	-17	
Decrease reflects reduced requirements for services pertaining to management and professional support, studies, analyses, evaluations, and technical support. (FY 2018 Baseline: \$930 thousand; +0 FTEs)		
55) OUSD(AT&L) - Small Business Program Support	-362	
Decrease reflects reduced requirements for services pertaining to management and professional support, studies, analyses, evaluations, and technical support. (FY 2018 Baseline: \$3,661 thousand; +0 FTEs)		
56) OUSD(AT&L) - Space and Intelligence MDAP Oversight	-82	
Decrease reflects reduced requirements for services		

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
<p>pertaining to management and professional support, studies, analyses, evaluations, and technical support. (FY 2018 Baseline: \$5,542 thousand; +0 FTEs)</p>		
57) OUSD(AT&L) - SRRB	-531	
<p>Decrease is to align with SRRB reductions as part of DoD reform agenda, the incremental reduction accounts for consolidation and reduction of service contracts. (FY 2018 Baseline: \$12,571 thousand; +0 FTEs)</p>		
58) OUSD(AT&L) - Travel	-344	
<p>Decrease represents a reduction in mission travel requirements by encouraging more use of Video Teleconferencing and consolidation of mission travel requirements into fewer trips. (FY 2018 Baseline: \$3,131 thousand; +0 FTEs)</p>		
59) OUSD(AT&L) - Treaty Compliance Support	-183	
<p>Decrease reflects reduced requirements for services pertaining to management and professional support, studies, analyses, evaluations, and technical support. (FY 2018 Baseline: \$1,706 thousand; +0 FTEs)</p>		
60) OUSD(C) - SRRB	-1,026	
<p>Decrease is to align with SRRB reductions as part of the DoD Reform agenda, the incremental reduction accounts for consolidation and reduction of service contracts. (FY 2018 Baseline: \$106,850 thousand; +0 FTEs)</p>		
61) OUSD(I) - Intelligence Mission	-163	
<p>Decrease is a result of the DoD reform agenda reflecting a reduction in headquarters operational contractor support. (FY 2018 Baseline: \$66,161</p>		

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
thousand; +0 FTEs)		
62) OUSD(I) - SRRB	-121	
Decrease is to align with SRRB reductions as part of the DoD reform agenda, the incremental reduction accounts for consolidation and reduction of service contracts. (FY 2018 Baseline: \$77,622 thousand; +0 FTEs)		
63) OUSD(P&R) - Administrative Support	-156	
The decrease reflects additional efficiencies achieved in administrative contract support. (FY 2018 Baseline: \$3,100 thousand)		
64) OUSD(P&R) - Advancing Diversity & Equal Opportunity	-341	
The decrease reflects additional efficiencies achieved in contract support in the Advancing Diversity & Equal Opportunity program. (FY 2018 Baseline: \$6,878 thousand; +0 FTEs)		
65) OUSD(P&R) - ASD (Health Affairs) Operations	-11	
The decrease reflects additional efficiencies achieved in contract support requirements. (FY 2018 Baseline: \$600 thousand; +0 FTEs)		
66) OUSD(P&R) - Defense Readiness Reporting System (DRRS)	-104	
The funding decrease reflects reduced requirements for contract support for modernization of legacy code modules within the Department's capstone readiness system. (FY 2018 Baseline: \$5,169 thousand)		
67) OUSD(P&R) - Defense Safety Oversight Council (DSOC)	-151	
The decrease reflects a reduction in the DoD accident reduction effort contract support. This program will		

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
now use government employees to augment safety management system assessments which reduces contract labor (FY 2018 Baseline: \$8,400 thousand; +0 FTEs)		
68) OUSD(P&R) - Lost Work Day System	-247	
The decrease in contract support funding will be realized in fewer hours submitting data into the accident reduction and resiliency data collection and warehouse, generating metrics and measures, maintaining information assurance requirements, and hosting the Force Risk Reduction tool for use across the DoD. (FY 2018 Baseline: \$2,600 thousand; +0 FTEs)		
69) OUSD(P&R) - Military Naturalization Support	-493	
The decrease reflects a reduction in the Military Naturalization Program for naturalization fees for non-citizens who apply for citizenship based on their honorable military service as required in 10 U.S.C. § 1790. (FY 2018 Baseline: \$6,800 thousand; +0 FTEs)		
70) OUSD(P&R) - SRRB	-297	
Decrease is to align with SRRB reductions as part of the DoD reform agenda, the incremental reduction accounts for consolidation and reduction of service contracts in the CE2T2 and OUSD(P&R) programs. (FY 2018 Baseline: \$5,076 thousand; +0 FTEs)		
71) OUSD(P&R) - Training Transformation	-116	
The decrease reflects a reduction in training, testing and cyber support services. It also reduces support for adaptive collaboration, advanced training technologies and interagency training. (FY 2018 Baseline: \$3,000 thousand; +0 FTEs)		

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
72) OUSD(P&R) - Travel The decrease represents a reduction in temporary duty requirements and the number of mission travel requirements within USD(P&R). (FY 2018 Baseline: \$700 thousand; +0 FTEs)	-13	
73) OUSD(P) - International Defense Programs Program decrease reflects savings on operation costs that support the U.S. Mission to the North Atlantic Treaty Organizations (NATO) headquartered in Brussels, Belgium. (FY 2018 Baseline: \$5,967 thousand; +0 FTEs)	-743	
74) OUSD(P) - Operations Decrease reflects the realignment of funds to OUSD(P) Mission Support to more accurately account for required activities. (FY 2018 Baseline: \$30,762 thousand; +0 FTEs)	-392	
75) OUSD(P) - Rewards Program The decrease reflects the current and projected trend towards fewer high dollar rewards payments that are authorized in Title 10 U.S. Code, Section 127b. Furthermore, Overseas Contingency Operations (OCO) funding is identified as a more accurate funding source for certain aspects of the program. (FY 2018 Baseline: \$6,373 thousand; +0 FTEs)	-2,932	
76) OUSD(P) - SRRB Decrease is to align with SRRB reductions as part of the DoD reform agenda, the incremental reduction accounts for consolidation and reduction of service contracts. (FY 2018 Baseline: \$6,873 thousand; +0 FTEs)	-83	

Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2019 President's Budget

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases

77) OUSD(P) - Strategy and Force Development

The decrease reflects the realignment of funds to the
OUSD(P) Mission Support budget line to more
accurately account for activity functions. (FY 2018
Baseline: \$625 thousand; +0 FTEs)

Amount

-438

Totals

FY 2019 Budget Request

1,519,655

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

IV. Performance Criteria and Evaluation Summary:

A. Under Secretary of Defense, Acquisition, Technology, and Logistics (OUSD (AT&L)):

The OUSD (AT&L) is the PSA and advisor to the SECDEF and DEPSECDEF for all matters concerning acquisition, technology, and logistics. AT&L's primary responsibilities include: 1) Supervising (DoD) acquisition, 2) Establishing policies for acquisition (including procurement of goods and services, research and development, developmental testing, and contract administration) for all elements of the Department of Defense, 3) Establishing policies for logistics, maintenance, and sustainment support for all elements of the DoD, and 4) Establishing policies of the Department of Defense for maintenance of the defense industrial base of the United States. The following Performance Evaluation Metrics are samples from three of the larger programs under AT&L: Readiness and Environmental Protection Initiative (REPI), Logistics Systems Modernization (LSM) Support and Acquisition Visibility Program.

Major Program Title: Regulatory Environment

Measure/Description	Actual	Estimate	Estimate
Readiness and Environmental Protection Initiative (REPI)	FY 2017	FY 2018	FY 2019
Metric #1: Percent funding to highest tier priority installations (Target is 80%)	78%	80%	80%
Metric #2: Percent of validated projects funded (Target is 70%)	51%	55%	18%
Metric #3: Percent partner cost-share (Target is 50%)	50%	50%	50%

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

IV. Performance Criteria and Evaluation Summary:

The risk of incompatible land use threatens mission capabilities essential for realistic training and testing for the current and future force. Investments for the Readiness and Environmental Protection Initiative (REPI) program address Component requirements to enter into agreements with private conservation organizations and/or state and local governments to acquire off-base property interests, usually conservation easements. These agreements protect mission capability by cost-sharing the long-term protection of high-value habitat and limiting incompatible land uses around DoD ranges and installations. REPI partnership projects meet critical, near-term, but time limited opportunities, to preserve DoD installation and range capabilities. REPI partnerships support sound planning, ecological integrity and interagency coordination, and help avoid more expensive costs, such as the need for training workarounds or segmentation and future Military Construction (MILCON) to modify or relocate training assets to less-restricted locations.

Major Program Title- Improve Acquisition & Logistics Processes - Logistics Systems Modernization Support (LSMS)

Measure/Description	Actual	Estimate	Estimate
	FY 2017	FY 2018	FY 2019
Supply Chain and Inventory Management			
Metric #1: Customer Wait Time - Army (Days)	19.5	18.0	19.0
Metric #2: Customer Wait Time - Air Force(Days)	6.9	7.5	7.5
Metric #2: Customer Wait Time - Navy (Days)	13.0	16.0	16.0
Metric #4: On-Hand Excess	Pending	8.0%	8.0%
Metric #5: Due-in Potential Future Excess	Pending	3.0%	3.0%

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

IV. Performance Criteria and Evaluation Summary:

Supply Chain Management: DoD measures responsiveness metrics to evaluate the effectiveness of the DoD Supply Chain. Responsiveness is measured by the Customer Wait Time metric, which is defined as the time between submission of a customer order from organizational maintenance and receipt of that order by organizational maintenance.

Inventory Management Initiative: DoD is executing a Comprehensive Inventory Management Improvement Program (CIMIP). The CIMIP provides oversight and a framework to guide inventory management improvement across the DoD Components. DoD measures the effectiveness of inventory improvement efforts using metrics for due-in potential future excess and excess on-hand inventory. The DoD objective is to reduce due-in potential future excess to 4% and excess on-hand to 8%.

Measure/Description	Actual	Estimate	Estimate
	FY 2017	FY 2018	FY 2019
Acquisition Visibility (AV)			
Metric #1: Number of Authorized Users with Access to AV Services	6,629	9,600	11,500
Metric #2: Number of Acquisition Information Elements and Acquisition Decision Documents under AT&L Control	3907	4400	4900
Metric #3: Number of Acquisition Reports submitted using AV Services to meet statutory requirements	SAR 105 MAR 36	SAR 98 MAR 0	SAR 94 MAR 0

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

IV. Performance Criteria and Evaluation Summary:

	UCR 259	UCR 385	UCR 400
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Major Program Title: Promulgate Policy: AT&L Acquisition Visibility (AV)

Acquisition Visibility (AV) supports the Defense Acquisition Executive (DAE), Component Acquisition Executives (CAE), Service Chiefs of Staff, OSD senior leaders, and OSD and Component analysts who assess and decide the efficiency and effectiveness of acquiring and sustaining the Department's acquisition programs including Major Defense Acquisition Programs (MDAPs), Major Automated Information Systems (MAIS), major IT investments, and Acquisition Category (ACAT) II - IV programs. AV supports USD (AT&L), CAE, and Service Chief Responsibilities by providing critical information for acquisition analysis, oversight, and decision-making. This information is also made available to the broad Acquisition Community to assist Program Managers, Program Executive Officers and their staffs in guiding programs. AV institutionalizes the management of data and business rules used in the Department's acquisition decision-making, and it integrates the acquisition data stored across multiple disparate Federal and Departmental organizations' data sets and systems. AV delivers a Department-wide accessible collection of acquisition information, techniques, and tools, including the Defense Acquisition Visibility Environment (DAVE), the Defense Acquisition Management Information Retrieval (DAMIR)

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2019 President's Budget**

IV. Performance Criteria and Evaluation Summary:

capability, and acquisition data analysis capabilities as well as data access services and data standards via the Acquisition Visibility Data Matrix (AVDM). The increasing number of Authorized Users reflects an increase in the role of AV in collecting and exposing acquisition data for analysis and the integration of Army and Air Force program reporting directly into DAMIR and the retirement of redundant Army and Air Force capabilities, as well as new users reporting Air Force ACAT II and III program data for the first time. The increased number of stored Acquisition Decision Documents demonstrates enhanced traceability and transparency of the Department's acquisition decisions. MAIS Annual Reports entered (Metric 3) drops to zero as a result of the elimination of MARS in the FY 2017 NDAA.

D. Under Secretary of Defense, Comptroller (OUSD(C))/ Chief Financial Officer:

The OUSD(C) is the PSA and advisor to the SECDEF and DEPSECDEF for all DoD financial matters. This office oversees and sets policy for budget and fiscal matters, including financial management, accounting policy and systems, management control systems, budget formulation, execution, and contract audit administration. Performance Evaluation Metrics have been developed for the major programs under OUSD(C): Comptroller Initiatives, Resource Management Systems (RMS), and Defense Resource Management Institute. These programs account for 98% of Comptroller's total Operation and Maintenance budget in FY 2019.

Major Program Title- Comptroller Initiatives

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

IV. Performance Criteria and Evaluation Summary:

Measure/Description	Actual FY 2017	Estimate FY 2018	Estimate FY 2019
Financial Improvement and Audit Readiness			
Metric #1: Percentage of complete reconciliations from financial statement line items to the General Ledger (GL) Systems, Schedule of Budgetary Activity.	99%	100%	100%
Metric #2: Percentage of complete reconciliations from financial statement line items to the General Ledger (GL) Systems, Statement of Budgetary Resources and Balance Sheet.	94%	99%	100%

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

IV. Performance Criteria and Evaluation Summary:

Metric #3: Percentage of complete reconciliations for a detailed tie out of feeder source systems to the GL System Schedule of Budgetary Activity	98%	100%	100%
Metric #4: Percentage of complete reconciliations for a detailed tie out of feeder source systems to the GL Systems, Statement of Budgetary Resources and Balance Sheet	88%	98%	100%
Metric #5: Percentage of Overaged In-Transit Transactions (Balance with Treasury)	.15%	.30%	.30%
Metric #6: Percentage of Overaged Unmatched Disbursements (Fund Balance with Treasury)	.51%	.10%	.10%
Metric #7: Percentage of Journal Vouchers, Unsupported	.75%	.50%	.50%
Metric #8: Percentage of baseline complete for Mission Critical Assets Existence and Completeness, General Equipment	94%	100%	100%
Metric #9: Percentage of baseline complete for Mission Critical Assets Existence and Completeness, Real Property	96%	100%	100%
Metric #10: Percentage of baseline complete for Mission Critical Assets Existence and Completeness, Internal Use Software	97%	100%	100%
Metric #11: Percentage of baseline complete for Mission Critical Assets Existence and Completeness, Inventory Operating Material and Supplies	90%	100%	100%

a) The FY 2010 NDAA mandates that (DoD) have audit ready financial statements by September 30, 2017.

b) The previously reported metrics were revised beginning in FY 2016 to provide a more direct focus on progress for specific critical path/risk areas most material to achieving audit readiness by the start of FY 2018.

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

IV. Performance Criteria and Evaluation Summary:

The Department is working in full force to make significant progress in audit readiness efforts for all Budgetary and Proprietary accounts.

Major Program Title- Comptroller Initiatives

	Actual	Estimate	Estimate
Measure/Description	FY 2017	FY 2018	FY 2019
Metric: DoD Financial Management(FM) personnel (military and civilian), with an active account, achieving certification	69%	65%	67%

The Department initiated a multi-year effort to develop a competency-based FM Certification Program that is applicable to the FM workforce. The FY12 NDAA provided the legal authority to implement the FM Certification Program. The Program is designed to ensure DoD meets the FM workforce and lifecycle management needs. All FM positions, civilian and military, are coded as Level 1, Level 2, or Level 3. Enterprise-wide, FM competencies applicable to each FM occupation series were established and revalidated. Each certification level requires a minimum number of training course hours and FM experience. Training is targeted to specific FM technical competencies, DOD leadership competencies and specific topics such as audit readiness, fiscal law, and ethics.

As of 28 August 2017, more than 37,600 FM members completed the requirements and obtained their certification. The percentage goal of active FM members achieving certification for FY 2016 was 55%. Actual percentage of active members who achieved certification by the end of FY 2016 was 66%. Actual percentage of active members who achieved certification by the end of FY 2017 is 69%, against a goal of 60%.

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

IV. Performance Criteria and Evaluation Summary:

Major Program Title- Resource Management System

	Actual	Estimate	Estimate
Measure/Description	FY 2017	FY 2017	FY 2018
Metric #1: Number of Agencies utilizing the Exhibition Automation System (EAS) tool	36	36	36
Metric #2: Man-Hours saved using the EAS Tool	15%	16%	17%
Metric #3: Number of Exhibits Automated	20	22	23

The OUSD(C) maintains the OUSD(C) Resource Management System (RMS), a Family of Systems that deliver the capability to manage and support DoD Planning, Programming, Budgeting, and Execution activities.

IV. Performance Criteria and Evaluation Summary:

Two key accomplishments for FY 2017 were the deployments of the OCO redesign and the integrated data load between the Budget to Appropriation (B2A) application and the Exhibit Automation System (EAS). The OCO redesign effort restructures the OCO OP-5

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2019 President's Budget**

IV. Performance Criteria and Evaluation Summary:

Exhibit user interface, load, generation, and data integrity checks. The OCO redesign effort ensures the OCO OP-5 Exhibit format is consistent with the O&M OP-5 format and it improves data accuracy and consistency across Defense-Wide, as well as meets all submission requirements. The B2A to EAS integrated data load ensures congressional mark data is consistent between both OUSD(C) applications and decreases the need for duplicate data entry. Additional enhancements were deployed to improve exhibit generation within the Justification book, which includes an upgrade to the Excel file generation. The Excel file upgrade allows for seamless generation of any Excel file and decreases the time spent including data in budget justifications. Two exhibits and an associated data load were also deployed, which allows OUSD(C) and the Defense Agencies to justify civilian personnel costs.

In FY 2018 additional utilities will be deployed to improve flexibility and configuration of the Defense-Wide Justification books. The new utilities will allow OUSD(C) to quickly make emerging requirement changes to exhibits and the Justification Books. The new utilities will remove special characters, which can inadvertently be carried forward from cut and paste and the system will also remove any unnecessary blank spaces in narratives to ensure the Justification Books are limited in page count. The system will provide a global function to distribute standardized cover pages, headers, footers, and footnotes across the Defense-Wide Justification Volume I, Volume II, and Volume III Books.

In FY 2019 additional exhibits, reports, and quality assurance measures will continue to be introduced and enhanced to streamline the budget build process and reduce data reentry and errors and save time in building Justification material and books.

Major Program Title- Defense Resource Management Institute

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

IV. Performance Criteria and Evaluation Summary:

Measure/Description	Actual	Estimate	Estimate
Participant knowledge	FY 2017	FY 2018	FY 2019
Metric #1: Number of 4 or 5 responses (1-5 scale; 5 is best) from U.S. participants on whether the course increased resources management knowledge / was useful on end-of- course questionnaires.	88%	85%	95%
Metric #2: Average monthly score above 3.5 on all FM Online courses	100%	70%	70%

The Defense Resources Management Institute (DRMI) exists to provide courses and instruction that enhance the effective allocation and use of resources in modern defense organizations. We focus on developing participants' (students') understanding and appreciation of the concepts, techniques, and analytical decision-making skills needed to make better resource decisions. DRMI teaches U.S. military and civilians (O-3 and above and GS-9 and above or equivalent), and international officials of similar rank. As an organization, we evaluate our effectiveness based on educational outcomes of our students, our relevance to defense and security, and our academic quality.

DRMI's appropriation from OUSD(C) in FY17 was programmed at \$1.4 million. This funds salaries for faculty and staff while teaching/preparing for/supporting U.S. students, including preparing material for the Financial Management Certification Program (FMCP), and operational expenses including supplies and materials, information technology, building maintenance, faculty and staff development activities, and travel for U.S. courses and events.

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2019 President's Budget**

IV. Performance Criteria and Evaluation Summary:

IV. Performance Criteria.

Chief Management Officer (CMO):

The CMO is the PSA and advisor to the SECDEF and DEPSECDEF for matters relating to management and improvement of integrated DoD business operations. This includes providing leadership in terms of acquisition oversight and investment review of Defense business systems. Inherent in these management responsibilities, CMO leads and integrates DoD Enterprise-wide performance improvement and business operations to enable and support the Warfighter.

With the disestablishment of the DoD Business Transformation Agency (BTA), an Agency under the purview and cognizance of the CMO, CMO was directed by the SECDEF to transition appropriate oversight and integration functionality heretofore performed by the BTA into the CMO.

In FY 2013, the CMO has realized this transformational reshaping and realignment of select functionality. This growth in scope within the CMO policy and oversight core mission areas accommodate greater visibility in orchestrating and synchronizing effective and efficient business operations across all Departmental Components. This growth and redefinition in CMO mission requirements has also prompted the separation of the office into a stand-alone reporting budgetary entity within OSD. It has also accommodated review and expansion of CMO performance based budget metrics as described in this document.

Major Program Title - FOIA Policy, Privacy, and Civil Liberties

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

IV. Performance Criteria and Evaluation Summary:

	Actual	Estimate	Estimate
Measure/Description	FY 2017	FY 2018	FY 2019
Oversee DoD Component efforts and plans to decrease prior FY FOIA backlog by 10% reduction {OMB M-10-06 and DOJ Guidance}	100%	100%	100%
Oversee DoD Component closure of 10 oldest FOIA requests/cases from the previous fiscal year {DOJ Guidance}	8	10	10
Develop, update, and oversee DoD issuances pertaining to FOIA, privacy and civil liberties (DoDD 5400.07, DoDM 5400.07, DoDD 5400.11, DoDI 1000.29, DoDI 5400.15, DoD 5400.11-R, and 32 CFR parts 275, 285, 286 and 310) {5 U.S.C. § 552 and § 552a}	10	10	10
Respond to nine (9) reporting requirements (varying periodicity) {5 U.S.C. § 552, EO 13636, OPEN Government Act of 2007, OMB M-13-13, OMB Circular A-108, and FISMA and OMB FISMA Guidance and DOJ Requirements}	15	16	16
Compliance reviews and training events held/Conduct FOIA Training {5 U.S.C. § 552}	4	4	4
Adjudicate OSD/JS/COCOM FOIA Appeals	85	65	65
Process/Review System of Record Notices (SORNs) for new, modified, or rescinded Privacy Act records {Privacy Act and OMB Circular A-108}	385	400	400

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

IV. Performance Criteria and Evaluation Summary:

Review and process Computer Matching Agreements (CMAs) prior to establishment, expiration of existing agreement, or renewal period {Privacy Act and OMB Circular A-108}	7	8	4
Review Privacy breaches as reported by DoD Components {OMB M-17-12}	817	820	820
Privacy Training events held/Privacy Act training {OMB Circular A-130 and Privacy Act Implementation Guidelines and Responsibilities}	4	2	4
Review DoD policies, procedures, guidelines, and related laws and their implementation to ensure that DoD is adequately considering privacy and civil liberties in its actions {42 U.S.C. § 2000ee-1, OMB M-16-24}	234	250	250
Adjudicate OSD/JS/COCOM Privacy Access and Amendment Appeals	12	12	12

On behalf of the Chief Management Officer, in his role as the DoD Chief Freedom of Information Act (FOIA) Officer and the DoD Privacy and Civil Liberties Officer, oversee DoD Component implementation of the FOIA, and privacy and civil liberties programs. Specifically overseeing efforts in reducing the DoD FOIA backlog and closing the 10 oldest DoD FOIA requests, maintaining currency of DoD FOIA, Privacy and DoD Civil Liberties Program policies as well as meet and work with the DoD Components to ensure FOIA, privacy and civil liberties issues and concerns are adequately addressed in new programs and issuances. Ensure DoD meets its legislative and regulatory FOIA, privacy

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

IV. Performance Criteria and Evaluation Summary:

and civil liberties mandated actions and reporting requirements. Provide FOIA, privacy and civil liberties training to Component representatives, and provide FOIA, privacy and civil liberties outreach to DoD personnel (service members, civilian employees, and contractor staff). Maintain liaison with Department of Justice (DOJ), National Archives and Records Administration (NARA), other Federal agencies, and public interest groups in addressing FOIA issues and improvements as well as the Federal Privacy Council.

Major Program Title - Intelligence Oversight

	Actual	Estimate	Estimate
Measure/Description	FY 2017	FY 2018	FY 2019
Report Questionable Intelligence Activities to POTUS, SECDEF, DNI {EO 12333 and 13462}(4 weeks per report)	4	4	4
Inspect DoD Intelligence Components for compliance with law and policy {DoDD 5148.13}(4 weeks per inspection)	7	9	10
Develop, update, and oversee implementation of intelligence oversight policy {EO 12333, DoDD 5148.13 and DoDM 5240.01}	100%	100%	100%

Conduct independent oversight of all DoD intelligence and intelligence-related activities. Inspect Defense Intelligence Components to assess compliance with law and policy. Develop intelligence oversight policy and issue implementation guidance. Report questionable intelligence activities and significant/highly sensitive matters to the SECDEF, the President's Intelligence Oversight Board and the Director of National

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

IV. Performance Criteria and Evaluation Summary:

Intelligence as required by Executive Order 13462. Review and validate the findings and remedial action resulting from DoD Component intelligence administrative investigations.

D. Under Secretary of Defense Intelligence OUSD (I):

The Under Secretary of Defense for Intelligence (USD(I)) is the principal staff assistant and advisor to the Secretary of Defense and the Deputy Secretary of Defense on Defense intelligence, counterintelligence, security, sensitive activities to include cover, military deception, operations security, and other intelligence-related matters. OUSD(I) exercises planning, policy, and strategic oversight over all DoD intelligence assets. The following evaluation metrics are samples from the OUSD(I) programs.

Major Program Title: Intelligence Mission

Measure Description	Actual	Estimate	Estimate
	FY 2017	FY 2018	FY 2019
Human Intelligence (HUMINT) and Sensitive Activities			
Cover oversight Reviews	4	8	8
Clandestine Quarterly Reports	4	4	4
Cover Plan/Annex Reviews	80	80	85
Cover Incident Reports	40	45	45
Senior Review Forums	2	2	2
Cover Executive Councils	1	2	2
HUMINT Oversight Assessments	3	3	3
HUMINT Operations Reviews/Coordination	20	25	25
HUMINT Defense Attaché Program Reviews /Coordination	35	35	35

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

IV. Performance Criteria and Evaluation Summary:

HUMINT Advance Skills Training Programs Oversight/Coordination	4	4	4
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Per DoD Directive 5143.01, USD(I) is responsible for establishing policy and providing oversight of the Defense Cover Program and the Defense Human Intelligence (HUMINT) Enterprise. The HUMINT and Sensitive Activities (H&SA) is the responsible directorate for these activities. Quarterly, H&SA conducts scheduled strategic Cover Oversight Reviews of two Defense Cover Program Components, assessing compliance with policy and law and the effectiveness of the program.

H&SA also reviews all DoD Component Cover Plans and Annexes for policy compliance per DoD Instruction S-5105.63, facilitates the bi-annual Cover Executive Council and Senior Review Forums, and assesses, analyses, and documents trends of all Serious Incident Reports for the Defense Cover Program. Periodically, and in accordance with DoDD S-5200.37, H&SA conducts assessments of DoD HUMINT components evaluating the effectiveness of their program and ensuring compliance with applicable laws, Executive Orders, and policy.

Additionally, a classified annex to the Annual Defense Appropriations Act directs the DoD to provide quarterly reports on certain clandestine activities conducted by the department. H&SA compiles and reviews inputs from the DoD components and distributes the quarterly report to six Congressional committees and senior Executive Branch officials. The directorate also coordinates OSD-level approvals to conduct certain compartmented activities, conducts periodic reviews of these activities, and prepares/coordinates reports to the USD(I), the Secretary of Defense, and Congressional oversight committees.

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

IV. Performance Criteria and Evaluation Summary:

H&SA provides governance, oversight, coordination, and reporting on other sensitive activities and programs for which metrics are in place and available on classified mediums.

Major Program Title: Intelligence Mission

Measure Description	Actual	Estimate	Estimate
Reform the Department of Defense (DoD) Personnel Security Clearance Process	FY 2017	FY 2018	FY 2019
DoD is moving toward a continuous evaluation model to monitor the riskiest population of cleared personnel.	500K Personnel	1,100K Personnel	1,100K Personnel
Oversee the deployment of electronic physical access control systems with Identity Matching Engine for Security and Analysis (IMESA) functionality across DoD's 373 domestic installations to continuously vet individuals.	15	20	20
DoD Insider Threat Program OSD-level Policy reviews and updates	80%	100%	90%

DoD will continue to modernize the security clearance investigations process to counter cost increases associated with the loss of Office of Personnel Management (OPM's) primary investigation provider and the OPM breach. DoD will also continue to deploy

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

IV. Performance Criteria and Evaluation Summary:

electronic physical access control systems with IMESA functionality, as recommended by the Washington Navy Yard reports and as directed by Congress in the 2016 National Defense Authorization Act. To date, DoD has deployed such systems at 260 of its 373 domestic installations, providing those installations with continuous vetting on individuals with recurring unescorted access. CI&S insider threat program staff actively manage and oversee the DoD Counter Insider Threat Program and assist Component program managers to develop and submit resource recommendations to the Secretary of Defense pursuant to National and DoD insider threat requirements. The threat can include damage to the United States through espionage, terrorism, unauthorized disclosure of national security information, or through the loss or degradation of departmental resources or capabilities. To deter and prevent such threats, the DoD counter insider threat program will gather, integrate, review, assess, and refer information derived from multiple data feeds to the appropriate organization or activity for action/response.

Major Program Title: Intelligence Mission

Measure Description	Actual	Estimate	Estimate
	FY 2017	FY 2018	FY 2019
Intelligence Analysis & Partner Engagement Policies and Strategies and Oversight			
Provide the USD(I) with strategic recommendations for foreign partner engagements and provide guidance to the Defense Intelligence Components on foreign partnerships.	100%	100%	100%
Orchestrate drafting and approval of Defense Intelligence Enterprise (DIE) Action Plans on select priority issues from the foreign partner engagement strategy.	2 Plans	2 Plans	2 Plans

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

IV. Performance Criteria and Evaluation Summary:

Monitor Defense intelligence components' progress on implementing the foreign partner engagement strategy by providing oversight to DIE Action Plans and select priority issues from the strategy through the Defense Intelligence Partner Engagement Synchronization Board.	100%	100%	100%
Manage Defense Intelligence Strategic Dialogues (DISD) and other bilateral senior-level committees with select foreign partners.	3 Events	3 Events	3 Events
Manage and support foreign delegation visits to the USD(I) and trips overseas by providing the USD(I) with preparatory material, talking points, and foreign partner coordination support	100%	100%	100%
Develop, draft, coordinate, and finalize DoD Directive on Publicly Available Information (PAI) to increase efficiencies, reinforce intelligence oversight regulations, and provide guidance on using PAI.	70%	100%	N/A
Conduct analytic Oversight Program site visits of selected Defense intelligence components to evaluate the implementation of analysis policies	4 visits	4 visits	4 visits
Manage and provide oversight to the Department's Document and Media Exploitation (DOMEX) Policy Working Group to strengthen the existing DOMEX DoD Directive. Incorporate DIA's FY18 DOMEX strategic plan into ongoing DOMEX improvement activities	20%	50%	100%

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

IV. Performance Criteria and Evaluation Summary:

Provide military intelligence foreign disclosure policy guidance and support to the USD(I), the DIE, and other IC Agencies, as required	100%	100%	100%
Manage the operations of the Military Intelligence Disclosure Policy Committee (MIDPC), conducting Principals' meetings, and coordinating the Members' responses to actions brought before the committee in accordance with the MIDPC's published SOP.	5 meetings	5 meetings	5 meetings
Assist USSOCOM in developing an automated/semi-automated capability for Near Real Time (NRT) marking, release, and dissemination of full-motion video (FMV) files in support of coalition operations.	Define Functional Requirements	Establish a Program of Record & develop initial capability	Deploy full capability to CCMDs
Continue to advance standardized training and certification of DoD Foreign Disclosure Officers (FDOs) through updates to the on-line introductory course and support to DIA's FDO Training & Certification Board of Governors (BoG).	Deploy v2.0 of the on-line course in AGILE. Roll-out updated v3.0 in STEPP	Deploy v3.0 of on-line course in AGILE. Roll-out updated v4.0 in STEPP & AGILE	Roll-out v5.0 of the on-line course in STEPP and AGILE

Defense Analysis and Partner Engagement (DA&PE) leads the Defense Intelligence Enterprise in policy development and oversight of defense analysis and partner engagement to provide policymakers with decision advantage and foster intelligence

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2019 President's Budget**

IV. Performance Criteria and Evaluation Summary:

relationships with key foreign partners. DA&PE is responsible for evaluating current and developing new policies and procedures to structure and guide DoD intelligence analysis, foreign partnership engagement, and foreign disclosure. DA&PE also provides oversight and guidance on crucial areas such as defense warning, analysis, tools, training, education, and certification.

In FY 2017, USD(I) signed DoDI "Management and Oversight of DoD All-Source Analysis," which addresses roles, responsibilities, and analytic standards within the Defense intelligence all-source analysis community. Prior to that, the USD(I) signed a "Strengthening Defense Intelligence Analysis" memorandum that provides guidance and emphasis areas for defense analysis efforts.

In FY 2016, DA&PE started drafting a DoD Directive on Publicly Available Information (PAI), which is expected to be published in early FY 2018. This policy fills a critical gap identified by the intelligence and operational communities to provide boundaries on the use of PAI. It also reinforces intelligence oversight and civil liberty requirements and will help DoD Components in using PAI to support DoD missions. DA&PE plans to update DoDI 3115.12, *Open Source Intelligence*, after the DoDD on PAI is published, most likely starting in late FY 2018 or early FY 2019.

In FY 2016, DA&PE began developing a formal oversight construct to visit and evaluate Defense intelligence analysis, including defense warning, at DoD analytic components. Combined with increased participation on existing boards, committees, and other structures, the observations gleaned from these forums will allow DA&PE to assess and influence improvements to intelligence analysis at both the component level and across the DIE. Through these oversight mechanisms, DA&PE evaluates policy compliance,

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2019 President's Budget**

IV. Performance Criteria and Evaluation Summary:

intelligence customer support, and capabilities required to address current and future needs of DoD. These evaluations enable a more holistic approach to improving the DIE. DA&PE conducted four oversight visits in FY 2017.

In FY 2017, Combatant Commands requested more DOMEX capabilities to support ongoing operations. DA&PE leveraged the Defense DOMEX Council and its subordinate working groups to organize efforts in meeting warfighter needs. The Policy working Group is updating the DoD Directive on DOMEX to enhance training and integrate the DOMEX community. Additionally, the National Media Exploitation Center will draft a DOMEX strategic plan to increase capability.

In FY 2017, DA&PE facilitated actions to implement the strategy and synchronize DIE partner engagement activities. DA&PE facilitates the DIE's development and implementation of Action Plans on select priority countries from the strategy. The Action Plans establish DIE-wide coordinated partner engagement implementation actions with a country. DA&PE established and manages a senior-level Defense Intelligence Partner Engagement Synchronization Board (DIPE Sync Board) to synchronize partner engagement actions and engagements across the DIE. DA&PE also conducts Defense Intelligence Strategic Dialogues (DISD) and bilateral senior-level committees with select foreign partners to advance the relationships and make progress on relationship needs. Additionally, DA&PE manages foreign delegation visits to the USD(I) and trips overseas by providing the USD(I) with preparatory material, talking points, and foreign partner coordination support. These activities informed the next version of the USD(I)'s Foreign Partner Engagement Strategy, which the USD(I) issued in September 26, 2017.

In FY 2017, DA&PE provided foreign disclosure policy guidance to the DIE and managed the

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2019 President's Budget**

IV. Performance Criteria and Evaluation Summary:

operations of the Military Intelligence Disclosure Policy Committee. In supporting the warfighter, DA&PE will continue to work on an automated capability for marking, release and disseminate full-motion video in a near-real-time manner to enhance Special Forces operations. To assist in the development of foreign disclosure officers (FDO), DA&PE will continue to update on-line FDO training courses.

Major Program Title: Defense Military Deception (MILDEC) Program Office

Measure Description	Actual	Estimate	Estimate
Policy Oversight (DoD Military Deception)	FY 2017	FY 2018	FY 2019
OSD-level Policy Reviews and Updates	100%	100%	100%
Review Ongoing Operational MILDEC Activities	100%	100%	100%
MILDEC Plan Reviews	100%	100%	100%

In accordance with DoD Instruction S-3604.01, the H&SA directorate establishes OSD-level policy, provides oversight, and oversees the Defense MILDEC Program. H&SA reviews and de-conflicts all proposed combatant command MILDEC activities developed as supporting plans to Joint Strategic Capability Plan-directed contingency and operational plans submitted for review using the Adaptive Planning and Execution Process. H&SA is responsible to review operational MILDEC activities conducted in support of ongoing combatant command operations. H&SA conducts quarterly oversight reviews of ongoing MILDEC operations in collaboration with the Joint Staff and the Office of the Undersecretary for Policy to assess policy compliance and to ensure senior leader awareness. H&SA reports MILDEC program compliance to the USD(I), Secretary of Defense, and Congressional oversight committees. Actual numbers are available on classified mediums.

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

IV. Performance Criteria and Evaluation Summary:

Major Program Title: Defense Operations Security Initiative

Measure Description	Actual	Estimate	Estimate
Policy Oversight (DoD Operations Security)	FY 2017	FY 2018	FY 2019
Complete annual reviews of DoD component Operations Security (OPSEC) programs	100%	100%	100%
Review existing Department-level OPSEC policy documents and either revise, cancel, or extend the issuance	75%	100%	100%
DoD OPSEC Education and Training Program of instruction(POI) Reviews	5	5	5
OPSEC Oversight Reviews	0	3	4
OPSEC Oversight Forums	5	6	6

In accordance with DoDD 5205.02E, the Defense Operations Security Initiative (DOSI) program lead oversees the Defense OPSEC program. DOSI evaluates the operational effectiveness of Component programs as well as validates OPSEC program training and assessment criteria. Additionally, DOSI reviews existing countermeasures to inform efforts to fill COCOM or Service identified operational gaps to reduce risk to national security capabilities. The OPSEC lead coordinates Defense OPSEC program policy and best practices with FVEY partner nations and plans to expand sharing to additional allies in FY 2018 and beyond.

E. Department of Defense, Chief Information Officer (DoD(CIO)):

The DoD CIO is the PSA and advisor to the SECDEF for Information Technology (IT), National Security Systems (NSS), and information resources management (IRM) matters. The DoD CIO shall be responsible for all matters relating to information and the information

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

IV. Performance Criteria and Evaluation Summary:

environment including command and control (C2), communications, radio frequency spectrum, network operations, information systems, information assurance (IA), defense cyber security, the Global Information Grid, and positioning, navigation, and timing (PNT) policy.

Major Program Title: Information Enterprise

Measure/Description	Actual	Estimate	Estimate
	FY 2017	FY 2018	FY 2019
Optimize and protect DoD critical infrastructure.			
Metric #1: Cumulative percentage of NIPR/SIPR Joint Security Stacks (JRSS) installed and ready for operational traffic.	45%/28%	70%/60%	100%/100%
Metric #2: Cumulative percentage of DSS locations whose locations whose network communications have migrated behind JRSS Security Stacks on NIPR/SIPR.	20%/0%	39%/20%	74%/42%
Metric #3: Number of Data Centers closed	335	873	40
Metric #4: Cumulative percentage of Mission Partner Environment - Information System (MPE-IS) nodes deployed.	14%	14%	21%

Investments for Information Enterprise are to develop strategies and policies governing the DoD Information Enterprise; consisting of the DoD information resources, assets, and processes required to achieve an information advantage and share information across DoD and with mission partners. Establish enterprise-wide architectures, standards, policies and guidance to support effective implementation of the DoD enabling infrastructure, enterprise services, and effective information management. Support governance through

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

IV. Performance Criteria and Evaluation Summary:

engagement with the key DoD decision processes. Engage with international partners and mission partners to ensure DoD enterprise information strategies meet information sharing requirements for all mission area.

Major Program Title: C4 Information Infrastructure Capabilities

Measure/Description	Actual	Estimate	Estimate
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.	FY 2017	FY 2018	FY 2019
Metric #1: Percent of DoD's NC3 crypto-Modernization Plan completed.	100%	100%	100%
Metric #2: Percentage of secure mobile devices supported by enterprise mobile device management and contracted through DISA.	24%	33%	43%

Investments for C4 Information Infrastructure Capabilities are to assess success of critical Department information technology programs and initiatives and engage where necessary to make sure they deliver on time and at the level of performance required. Assess compliance with enterprise strategy and mission requirements. Develop Capability Architecture Views, Fielding/Deployment/Synchronization Plans, and Roadmaps. Provide oversight and guidance for the fielding of key enabling infrastructures and capabilities. Oversee policies, programs, and strategic plans regarding net-centric

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

IV. Performance Criteria and Evaluation Summary:

capabilities in support of nuclear and non-nuclear strategic strike, integrated missile defense, Continuity of Government (COG), and Senior Leadership Communications, including National Leadership Command Capabilities (NLCC).

Major Program Title: Cybersecurity

Measure/Description	Actual	Estimate	Estimate
	FY 2017	FY 2018	FY 2019
Focused cybersecurity to ensure dependable mission execution in the face of a capable cyber adversary.			
Metric #1: Ensure every privileged user logs on via Public Key Infrastructure (PKI)	73%	77%	80%
Metric #2: Move all internet-facing servers to approved Demilitarize Zones(DMZs).	85%	90%	92%
Metric #3: Remove Windows XP and Windows server 2003 and older operating system software from the Entire secret fabric and unclassified inventory.	99%	99%	99%
Metric #3: Implement Host Based Security System.	58%	65%	70%

Cybersecurity investments are critical to implementation and directing information security architectures, providing situational awareness, and making sound risk decision to provide a more defensible information environment and enable safe sharing of information across the enterprise and with mission partners. Ensures DoD has an effective, properly funded cybersecurity program.

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

IV. Performance Criteria and Evaluation Summary:

F. Under Secretary of Defense (Personnel and Readiness) (OUSD (P&R)):

The Under Secretary of Defense for Personnel and Readiness (OUSD (P&R)) is the principal staff assistant and advisor to the Secretary of Defense and Deputy Secretary Defense for all matters concerning personnel and readiness. OUSD (P&R) funds the operation and support of programs like Defense Readiness Reporting System (DRRS), Defense Safety Oversight Council, and others.

	Actual	Estimate	Estimate
Measure/Description	FY 2017	FY 2018	FY 2019
Metric #1: Number and rates of military fatalities and injuries, civilian lost time injuries and occupational illness, and aviation class A mishaps.	40% average reduction from FY 2002 baseline	Continuous improvement	Continuous improvement

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

<u>V. Personnel Summary</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Change FY 2017/ FY 2018</u>	<u>Change FY 2018/ FY 2019</u>
<u>Active Military End Strength (E/S) (Total)</u>	<u>346</u>	<u>341</u>	<u>331</u>	<u>-5</u>	<u>-10</u>
Officer	321	321	311	0	-10
Enlisted	25	20	20	-5	0
<u>Reserve Drill Strength (E/S) (Total)</u>	<u>18</u>	<u>19</u>	<u>19</u>	<u>1</u>	<u>0</u>
Officer	14	14	14	0	0
Enlisted	4	5	5	1	0
<u>Reservists on Full Time Active Duty (E/S)</u>	<u>10</u>	<u>10</u>	<u>8</u>	<u>0</u>	<u>-2</u>
Officer	9	9	7	0	-2
Enlisted	1	1	1	0	0
<u>Civilian End Strength (Total)</u>	<u>1,835</u>	<u>1,820</u>	<u>1,795</u>	<u>-15</u>	<u>-25</u>
U.S. Direct Hire	1,835	1,820	1,795	-15	-25
Total Direct Hire	1,835	1,820	1,795	-15	-25
<u>Active Military Average Strength (A/S)</u> <u>(Total)</u>	<u>359</u>	<u>341</u>	<u>329</u>	<u>-18</u>	<u>-12</u>
Officer	341	321	309	-20	-12
Enlisted	18	20	20	2	0
<u>Reserve Drill Strength (A/S) (Total)</u>	<u>18</u>	<u>18</u>	<u>18</u>	<u>0</u>	<u>0</u>
Officer	14	14	14	0	0
Enlisted	4	4	4	0	0
<u>Reservists on Full Time Active Duty (A/S)</u> <u>(Total)</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>0</u>	<u>0</u>
Officer	9	9	9	0	0
Enlisted	1	1	1	0	0
<u>Civilian FTEs (Total)</u>	<u>1,691</u>	<u>1,801</u>	<u>1,779</u>	<u>110</u>	<u>-22</u>
U.S. Direct Hire	1,691	1,801	1,779	110	-22

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2019 President's Budget

<u>V. Personnel Summary</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Change FY 2017/ FY 2018</u>	<u>Change FY 2018/ FY 2019</u>
Total Direct Hire	1,691	1,801	1,779	110	-22
Average Annual Civilian Salary (\$ in thousands)	200.0	203.6	204.1	3.6	.5
<u>Contractor FTEs (Total)</u>	<u>2,741</u>	<u>2,008</u>	<u>1,998</u>	<u>-733</u>	<u>-10</u>

FY 2017 - FY 2018 Military: Reductions are due to strategic efficiency reductions in management headquarters.

FY 2018 - FY 2019 MILITARY: Reductions are due to strategic efficiency reductions in management headquarters.

FY 2017 - FY 2018 CIVILIAN: End strength and FTEs were adjusted to reflect continuing efforts to manage the civilian workforce and to reflect current expectation for FY 2017.

FY 2018 - FY 2019 CIVILIAN: End Strength and FTEs are reduced due to strategic efficiency reduction in management headquarters and staffing for better alignment and to provide support.

Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2019 President's Budget

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

<u>OP 32 Line</u>	<u>FY 2017</u> <u>Actuals</u>	<u>Change</u>		<u>FY 2018</u> <u>Estimate</u>	<u>Change</u>		<u>FY 2019</u> <u>Estimate</u>
		<u>FY 2017/FY 2018</u> <u>Price</u>	<u>Program</u>		<u>FY 2018/FY 2019</u> <u>Price</u>	<u>Program</u>	
101 Exec, Gen'l & Spec Scheds	337,294	6,591	20,593	364,478	1,859	-4,722	361,615
103 Wage Board	84	2	54	140	1	0	141
107 Voluntary Sep Incentives	871	0	1,123	1,994	0	-708	1,286
199 Total Civ Compensation	338,249	6,593	21,770	366,612	1,860	-5,430	363,042
308 Travel of Persons	131,624	2,238	-115,531	18,331	330	-2,194	16,467
399 Total Travel	131,624	2,238	-115,531	18,331	330	-2,194	16,467
672 PRMRF Purchases	1,364	-7	-1,357	0	0	905	905
680 Building Maint Fund Purch	0	0	958	958	-117	-841	0
699 Total DWCF Purchases	1,364	-7	-399	958	-117	64	905
771 Commercial Transport	112,093	1,906	-113,999	0	0	0	0
799 Total Transportation	112,093	1,906	-113,999	0	0	0	0
912 Rental Payments to GSA (SLUC)	1,252	21	21	1,294	23	-23	1,294
913 Purchased Utilities (Non-Fund)	0	0	8	8	0	0	8
914 Purchased Communications (Non-Fund)	1,582	27	59,948	61,557	1,108	-61,263	1,402
915 Rents (Non-GSA)	1,694	29	278,678	280,401	5,047	2,386	287,834
920 Supplies & Materials (Non-Fund)	28,776	489	-26,686	2,579	46	3,920	6,545
921 Printing & Reproduction	222	4	-216	10	0	0	10
922 Equipment Maintenance By Contract	14,073	239	4,114	18,426	332	8,270	27,028
923 Facilities Sust, Rest, & Mod by Contract	13	0	82	95	2	10	107
925 Equipment Purchases (Non-Fund)	25,040	426	-24,322	1,144	21	967	2,132
932 Mgt Prof Support Svcs	502,314	8,539	-184,704	326,149	5,871	-32,303	299,717
933 Studies, Analysis & Eval	87,291	1,484	9,599	98,374	1,771	26,076	126,221
934 Engineering & Tech Svcs	213,087	3,622	-81,023	135,686	2,442	-3,451	134,677
951 Other Costs (Special Personal Svc Pay)	15,904	0	-438	15,466	0	5,192	20,658
957 Other Costs (Land and Structures)	61,087	1,038	-62,125	0	0	45,460	45,460

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2019 President's Budget**

<u>OP 32 Line</u>	<u>FY 2017</u> <u>Actuals</u>	<u>Change</u> <u>FY 2017/FY 2018</u>		<u>FY 2018</u> <u>Estimate</u>	<u>Change</u> <u>FY 2018/FY 2019</u>		<u>FY 2019</u> <u>Estimate</u>
		<u>Price</u>	<u>Program</u>		<u>Price</u>	<u>Program</u>	
960 Other Costs (Interest and Dividends)	40	1	-41	0	0	0	0
985 Research & Development, Contracts	6,117	0	-5,510	607	0	5,243	5,850
987 Other Intra-Govt Purch	405,870	6,900	-285,226	127,544	2,296	17,057	146,897
988 Grants	49,000	833	-45,307	4,526	81	-275	4,332
989 Other Services	117,923	2,005	26,810	146,738	2,641	-127,106	22,273
990 IT Contract Support Services	7,667	130	-2,058	5,739	103	954	6,796
999 Total Other Purchases	1,538,952	25,787	-338,396	1,226,343	21,784	-108,886	1,139,241
Total	2,122,282	36,517	-546,555	1,612,244	23,857	-116,446	1,519,655

* The FY 2017 Actual column includes \$64,914.0 thousand of FY 2017 Overseas Contingency Operations (OCO) Appropriations Funding (PL 115-31).

* The FY 2018 Estimate column excludes \$34,715.0 thousand of FY 2018 OCO Appropriations Funding.

* The FY 2019 Estimate column excludes \$16,579.0 thousand of FY 2019 OCO Appropriations funding.

*FY 2018 and FY 2019 include \$123.9 million and \$110.8 million, respectively, of non-Function 050 funds for transfer to the Department of the Interior to satisfy the anticipated outstanding U.S. commitment for the 2010 Compact Review Agreement (CRA) with Palau. Under the 1994 U.S.-Palau Compact of Free Association and the CRA, not yet in force, the U.S. agreed to provide economic assistance to the Government of Palau. The Compact achieves U.S. national security objectives, including providing the United States the ability to deny access to Palau's land, water, and air space by other countries' militaries. Palau is indispensable to U.S. national security, and funding the Compact is key to the U.S. strategic presence in the region. The funding will bring the CRA into force and satisfy the outstanding commitment to Palau. The funds are requested as additional funding in a title VIII General Provision in the Department's appropriations request for transfer to the Department of the Interior, and are requested to remain available until expended in accordance with the related General Provision.

*Funding in OP-32 Line 914, Purchased Communications for the Secretary of Defense's Wargaming Fund was erroneously requested in the wrong OP-32 line in the FY 2018 President's Budget. Funding has been realigned to the following OP-32 Lines in order to more accurately reflect expected program requirements and execution: 308, Travel of Persons; 922, Equipment Maintenance by Contract; 925, Equipment Purchases; 932, Management and Professional Support Services; 933, Studies, Analysis and Evaluations; 934, Engineering and Technical Services; 985, Research and Development Contracts; and 987, Other Intra-Governmental Purchases.

*Funding in OP-32 Line 987, Other Intra-Governmental Purchases for the REPI program was erroneously requested in the wrong OP-32 lines in the FY 2018 President's Budget. This funding has been realigned to OP-32 Lines 957, Lands and Structures, and 932, Management and Professional Support Services to more accurately align the funding to the correct OP-32 Lines.