

Fiscal Year 2023 Budget Estimates

Office of the Secretary of Defense Cyber



April 2022

**Office of the Secretary of Defense - Cyber
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2023 Budget Estimates**

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

	<u>FY 2021 Actuals</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2022 Enacted</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2023 Request</u>
OSD Cyber	51,180	1,520	-3,123	49,575	1,225	4,455	55,255

*FY 2021 includes Division C, Title IX and Division J, Title IV of the Consolidated Appropriations Act, 2021 (P.L. 116-260).

*The total amount of the FY 2023 request reflects \$0 thousand for Overseas Operations Costs.

I. Description of Operations Financed:

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

Principal Staff Assistants:

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

\$ in Thousands

	<u>FY 2021 Actuals</u>	<u>FY 2022 Enacted</u>	<u>FY 2023 Request</u>
A. <u>Core Operating Program CivPay:</u>	6,369	9,034	10,682

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

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I. Description of Operations Financed: (Cont.)

<u>Requested FY 2023 Civilian Pay and Benefits:</u>	\$ in Thousands	
	<u>Civilian Pay</u>	<u>Full Time Equivalents (FTEs)</u>
DoD CIO	6,422	29
OUSD(P)	3,039	13
OUSD(R&E)	1,221	5
TOTAL	10,682	47

<u>B. DoD Chief Information Officer (CIO)</u>	\$ in Thousands		
	<u>FY 2021 Actuals</u>	<u>FY 2022 Enacted</u>	<u>FY 2023 Request</u>
	38,036	32,851	36,401

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

The activities related to Cybersecurity include:

- Information Systems Security Program (ISSP)
- Cyber Security Initiative
- Defense Industrial Base, Cyber Security/Information Assurance

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I. Description of Operations Financed: (Cont.)

	\$ in Thousands		
	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>
	<u>Actuals</u>	<u>Enacted</u>	<u>Request</u>
<u>C. Under Secretary of Defense (Policy):</u>	4,485	4,830	5,126

The OUSD(P) is the principal staff assistant and advisor to the SECDEF and DEPSECDEF on capabilities, force, and contingency plans necessary to implement the NDS, defense policy, and the integration and oversight of DoD policy and plans to achieve national security objectives. OUSD(P) represents the Department to foreign governments, international organizations, and interagency functions.

Funding supports the Cyber Policy office which is responsible for establishing DoD cyberspace policy and strategy, providing guidance and oversight on DoD cyberspace activities, and managing DoD's primary external relationships across the U.S. government, key domestic stakeholders, and our allies and partners.

	\$ in Thousands		
	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>
	<u>Actuals</u>	<u>Enacted</u>	<u>Request</u>
<u>D. Under Secretary of Defense (Research and Engineering)</u>	2,290	2,860	3,046

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

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I. Description of Operations Financed: (Cont.)

Funding related to cyber activities includes the Damage Assessment Management Office's oversight and coordination mission.

Fiscal Year (FY) 2023 Overseas Operations Costs funding accounted for in the Base budget include:

- Operation INHERENT RESOLVE (OIR) [\$0 thousand].
- Operation European Deterrence Initiative (EDI) [\$0 thousand].
- Other theater requirements and related missions [\$0 thousand].

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II. Force Structure Summary:
N/A.

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III. Financial Summary (\$ in Thousands):

	FY 2021 Actuals	Budget Request	FY 2022			Current Enacted	FY 2023 Request
			Congressional Action				
			Amount	Percent	Appropriated		
A. BA Subactivities							
01.Cyberspace Activities	\$51,180	\$32,851	\$16,724	50.91%	\$49,575	\$49,575	\$55,255
Compensation and Benefits	\$6,369	\$0	\$9,034	0.00%	\$9,034	\$9,034	\$10,682
Department of Defense Chief Information Officer	\$38,036	\$32,851	\$0	0.00%	\$32,851	\$32,851	\$36,401
Office of the Under Secretary of Defense for Policy	\$4,485	\$0	\$4,830	0.00%	\$4,830	\$4,830	\$5,126
Office of the Under Secretary of Defense for Research and Engineering	<u>\$2,290</u>	<u>\$0</u>	<u>\$2,860</u>	<u>0.00%</u>	<u>\$2,860</u>	<u>\$2,860</u>	<u>\$3,046</u>
Total	\$51,180	\$32,851	\$16,724	50.91%	\$49,575	\$49,575	\$55,255

*Overseas Operations costs accounted for in the base budget: \$0.0 thousand.

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

<u>B. Reconciliation Summary</u>	<u>Change FY 2022/FY 2022</u>	<u>Change FY 2022/FY 2023</u>
BASELINE FUNDING	\$32,851	\$49,575
Congressional Adjustments (Distributed)	16,724	
Congressional Adjustments (Undistributed)	0	
Adjustments to Meet Congressional Intent	0	
Congressional Adjustments (General Provisions)	0	
SUBTOTAL APPROPRIATED AMOUNT	49,575	
Fact-of-Life Changes (2022 to 2022 Only)	0	
SUBTOTAL BASELINE FUNDING	49,575	
Supplemental	0	
Reprogrammings	0	
Price Changes		1,225
Functional Transfers		0
Program Changes		4,455
CURRENT ESTIMATE	49,575	55,255
Less: Supplemental	0	
NORMALIZED CURRENT ESTIMATE	\$49,575	\$55,255

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

FY 2022 President's Budget Request (Amended, if applicable)	\$32,851
1. Congressional Adjustments	\$16,724
a) Distributed Adjustments.....	\$16,724
1) Office of the Secretary of Defense (OSD) requested transfer from OSD (4GTN) to OSD Cyber (4GTC).....	\$16,724
b) Undistributed Adjustments	\$0
c) Adjustments to Meet Congressional Intent.....	\$0
d) General Provisions	\$0
FY 2022 Appropriated Amount	\$49,575
2. Supplemental Appropriations	\$0
a) Supplemental Funding.....	\$0
3. Fact-of-Life Changes.....	\$0
a) Functional Transfers.....	\$0
b) Technical Adjustments	\$0
c) Emergent Requirements.....	\$0
FY 2022 Baseline Funding	\$49,575
4. Reprogrammings (Requiring 1415 Actions).....	\$0

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

a) Increases	\$0
b) Decreases	\$0
Revised FY 2022 Estimate.....	\$49,575
5. Less: Item 2, Supplemental Appropriation and Item 4, Reprogrammings	\$0
a) Less: Supplemental Funding	\$0
FY 2022 Normalized Current Estimate	\$49,575
6. Price Change	\$1,225
7. Functional Transfers	\$0
a) Transfers In	\$0
b) Transfers Out.....	\$0
8. Program Increases.....	\$5,028
a) Annualization of New FY 2022 Program	\$0
b) One-Time FY 2023 Increases	\$0
c) Program Growth in FY 2023.....	\$5,028
1) Compensation and Benefits - Cybersecurity Maturity Model Certification (CMMC) - DoD CIO	\$464
Increase of +2 FTE and associated funding supports the Department's Cybersecurity Maturity Model Certification (CMMC) assessment program that outlines cyber protection compliance standards in acquisition programs, providing the Department increased assurance for contractors to meet CMMC level requirements. The CMMC program will develop training, compliance metric tools and assessment criteria to maintain public	

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

trust through high professional and ethical standards.

(FY 2022 Baseline: \$9,034 thousand; 39 FTEs; +2 FTEs)

2) Compensation and Benefits - Zero Trust - DoD CIO \$1,384

Increase of +6 FTEs and associated funds are for the Portfolio Management Office to support the development, implementation and sustainment of the Zero Trust architecture across the DoD Enterprise. Implementing Zero Trust requires the combining of capabilities/security tools at different levels of maturity and availability to achieve increased and robust network security.

(FY 2022 Baseline: \$9,034 thousand; 39 FTEs; +6 FTEs)

3) Mission Support - Zero Trust - DoD CIO \$3,180

Increase funds the establishment of the Portfolio Management Office to support the development, implementation and sustainment of the Zero Trust architecture across the DoD Enterprise. Implementing Zero Trust requires the combining of capabilities/security tools at different levels of maturity and availability to achieve increasing and robust network security. Funds are required to buy hardware, security software, and associated service and maintenance contracts to support the operational formulation of the Zero Trust PMO.

(FY 2022 Baseline: \$0 thousand; 0 FTEs; +0 FTEs)

9. Program Decreases \$-573

a) Annualization of FY 2022 Program Decreases \$0

b) One-Time FY 2022 Increases \$0

c) Program Decreases in FY 2023 \$-573

1) Compensation and Benefits - Civilian Average Annual Compensation \$-539

Each year, civilian compensation rates are developed based on detailed execution and cost factor analysis. These rates are created and implemented with the paramount purpose of accurately forecasting cost estimates for the civilian workforce. The average annual rate (AAR) change is the result of these rate changes combined with the fluctuations in composition of civilian pay types.

(FY 2022 Baseline: \$9,034 thousand; 39 FTEs; +8 FTEs)

2) Compensation and Benefits - One less compensable day in FY 2023 \$-34

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

The number of compensable days for FY 2022 is 261 days (2,088 hours), and for FY 2023 is 260 days (2,080 hours).
(FY 2022 Baseline: \$9,034 thousand; 39 FTEs)

FY 2023 Budget Request.....\$55,255

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IV. Performance Criteria and Evaluation Summary:

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

The DoD CIO is the principal staff assistant and advisor to the SECDEF and the DEPSECDEF for information technology (IT), including national security systems, and information resources management (IRM) matters. The DoD CIO shall be responsible for all matters relating to the DoD information enterprise, including cybersecurity, including Defense Industrial Base Cybersecurity activities.

Major Program Title: Defense Industrial Base Cybersecurity Activities

Measure/Description	Actuals	Enacted	Request
	FY 2021	FY 2022	FY 2023
Expand and refine DIB CS activities, both mandatory and voluntary, to better protect DoD unclassified information residing on or transitioning DIB information networks or systems.			
Metric #1: Encourage defense contractors to join the voluntary DIB Cybersecurity Program. (# of new participants)	90	150	150
METRIC #2.a.: Number of companies participating in DIB CS Pilot Program with non-cleared defense contractors.	22	50	75
METRIC #2.b.: Products (cybersecurity threat indicators) shared with participants in the DIB CS Pilot Program with non-cleared defense contractors.	8	25	52
METRIC #3: Provide expertise in support of the implementation of the Defense Federal Acquisition Regulation Supplement (DFARS) clause 252.204-7012 in defense contracts. (# of engagements with industry and government)	35	40	45
Metric #4: Through the DoD Cyber Crime Center, continue to develop meaningful cyber threat information products to share with DIB CS participants.	1750	2500	2500

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IV. Performance Criteria and Evaluation Summary:

Major Program Title: Cybersecurity

Measure/Description	Actuals	Enacted	Request
	FY 2021	FY 2022	FY 2023
Improve Cybersecurity. Improve adoption of security practices, and reduce exposure to vulnerabilities and threats to the operating environment by limiting access to only authorized users and implementing technologies and processes that reduce risk from malicious activity.			
Metric #1: Move all internet-facing servers to approved Demilitarized Zones (DMZs) on NIPRNet.	99%	99%	99%
Metric #2: Upgrade Entire inventory of Windows workstations to Windows 10 Secure Host Baseline NIPRNet.	99%	97%	99%

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V. Personnel Summary:

	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>Change FY 2021/ FY 2022</u>	<u>Change FY 2022/ FY 2023</u>
Civilian End Strength (Total)	30	39	47	9	8
U.S. Direct Hire	30	39	47	9	8
Total Direct Hire	30	39	47	9	8
Civilian FTEs (Total)	30	39	47	9	8
U.S. Direct Hire	30	39	47	9	8
Total Direct Hire	30	39	47	9	8
Average Annual Civilian Salary (\$ in thousands)	212.3	231.6	227.3	19.3	-4.4

Personnel Summary Explanations:

Changes of +8 total FTEs from FY 2022 to FY 2023:

- +6 FTE DoD CIO - Zero Trust Initiative
- +2 FTE DoD CIO - Cybersecurity Maturity Model Certification (CMMC)

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

	FY 2021 Program	Change from FY 2021 to FY 2022		FY 2022 Program	Change from FY 2022 to FY 2023		FY 2023 Program
		Price Growth	Program Growth		Price Growth	Program Growth	
101 EXEC, GEN'L & SPEC SCHEDS	6,369	145	2,520	9,034	373	1,275	10,682
0199 TOTAL CIVILIAN PERSONNEL COMPENSATION	6,369	145	2,520	9,034	373	1,275	10,682
308 TRAVEL OF PERSONS	2	0	79	81	2	-2	81
0399 TOTAL TRAVEL	2	0	79	81	2	-2	81
671 DISA DISN SUBSCRIPTION SERVICES (DSS)	647	49	-696	0	0	0	0
0699 TOTAL OTHER FUND PURCHASES	647	49	-696	0	0	0	0
914 PURCHASED COMMUNICATIONS (NON-FUND)	2	0	-2	0	0	0	0
920 SUPPLIES & MATERIALS (NON-FUND)	126	4	-130	0	0	0	0
925 EQUIPMENT PURCHASES (NON-FUND)	27	1	-28	0	0	0	0
932 MGT PROF SUPPORT SVCS	37,800	1,134	-11,617	27,317	574	2,471	30,362
933 STUDIES, ANALYSIS & EVAL	150	5	1,051	1,205	25	33	1,263
934 ENGINEERING & TECH SVCS	5,850	176	4,467	10,492	220	550	11,262
987 OTHER INTRA-GOVT PURCH	194	6	1,116	1,316	28	121	1,465
989 OTHER SERVICES	13	0	117	130	3	7	140
0999 TOTAL OTHER PURCHASES	44,162	1,326	-5,026	40,460	850	3,182	44,492
9999 GRAND TOTAL	51,180	1,520	-3,123	49,575	1,225	4,455	55,255