

Fiscal Year 2024 Budget Estimates

Office of the Secretary of Defense Cyber



March 2023

**Office of the Secretary of Defense - Cyber
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2024 Budget Estimates**

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

	<u>FY 2022 Actuals</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2023 Enacted</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2024 Estimate</u>
OSD Cyber	49,411	1,184	4,660	55,255	1,518	35,403	92,176

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 (OUSD(P))
- Office of the Under Secretary of Defense for Research and Engineering (OUSD(R&E))

\$ in Thousands

	<u>FY 2022 Enacted</u>	<u>FY 2023 Request</u>	<u>FY 2024 Estimate</u>
A. <u>Core Operating Program CivPay:</u>	9,034	10,682	12,907

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

\$ in Thousands

<u>Requested FY 2024 Civilian Pay and Benefits:</u>	<u>Civilian Pay</u>	<u>Full Time Equivalents (FTEs)</u>
DoD CIO	8,525	35
OUSD(P)	3,127	13
OUSD(R&E)	1,255	5
TOTAL	10,682	53

OSD - Cyber

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I. Description of Operations Financed: (Cont.)

	\$ in Thousands		
	<u>FY 2022 Enacted</u>	<u>FY 2023 Request</u>	<u>FY 2024 Estimate</u>
<u>B. DoD Chief Information Officer (CIO)</u>	32,851	36,401	35,612

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. The DoD CIO develops Department-wide strategy and policy on DoD IT and information systems. In direct support of both the national security strategy (NSS) and the National Defense Strategy (NDS), the DoD CIO develops and promulgates enterprise-wide architecture requirements, technical, operational, protection and interoperability standards. Additionally, the DoD CIO ensures interface continuity between DoD and non-DoD systems. DoD CIO activities support the modernization and development of advanced IT capabilities which directly enhances resiliency by focusing attention on modernizing key information capabilities and ensuring that DoD maintains an advantage over adversaries in the areas of cybersecurity, information, and communications technology.

The DoD information enterprise and systems resource management activities include:

- 1) Command, control, and communication (C3), including positioning, navigation, and timing (PNT) policy and spectrum management
- 2) E-Gov initiatives and government-wide councils
- 3) Software modernization (development, security, operation), including cloud computing

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I. Description of Operations Financed: (Cont.)

\$ in Thousands

	<u>FY 2022 Enacted</u>	<u>FY 2023 Request</u>	<u>FY 2024 Estimate</u>
<u>C. Under Secretary of Defense (Policy) (Office of Principal Cyber Advisor):</u>	4,830	5,126	4,952

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. The Assistant Secretary of Defense for Space Policy, serves as a Principal Cyber Advisor (PCA) to the Secretary of Defense, acting as principal staff assistant and advises SECDEF / DEPSECDEF on cyber activities that support or enable DoD's various missions in cyberspace, particularly regarding policy, legislative affairs, training, resources, personnel, manpower, acquisitions, & technology, in coordination with appropriate Principal Staff Assistants.

Funding supports the Office of the Principal Cyber Advisor (OPCA). OPCA oversees and advocates for USCYBERCOM and the Cyberspace Operations Forces (COF), and establishes cyberspace operations policy and strategy, and drives implementation of the Department of Defense Cyber Strategy and Cyber Posture Review. OPCA also synchronizes and directs issues related to COF, posture & readiness, and advises senior leadership on and propelling relevant policy, programmatic, and process gaps inhibiting operational effectiveness across the Department of Defense.

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I. Description of Operations Financed: (Cont.)

\$ in Thousands

<u>FY 2022 Enacted</u>	<u>FY 2023 Request</u>	<u>FY 2024 Estimate</u>
2,860	3,046	3,098

D. Under Secretary of Defense (Research and Engineering)

The OUSD(R&E) is the principal staff assistant and advisor to the SECDEF and DEPSECDEF for all matters relating to research and engineering, and other related matters. The OUSD(R&E) serves as the Department’s Chief Technical Officer, and is responsible for unifying defense research, development, and prototyping activities across the enterprise. The OUSD(R&E) establishes policies on, and oversees, all defense research and engineering, technology development, technology transition, prototyping, experimentation, and development testing activities and programs. The OUSD(R&E) responsibilities also include: establishing a Department-wide, mission-focused roadmap for each of the 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 USD(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.

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

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II. Force Structure Summary:
N/A.

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III. Financial Summary (\$ in Thousands):

	FY 2022 Actuals	Budget Request	FY 2023			Current Enacted	FY 2024 Estimate
			Congressional Action				
			Amount	Percent	Appropriated		
A. BA Subactivities							
01.Cyberspace Activities	\$49,411	\$55,255	\$0	0.00%	\$55,255	\$55,255	\$92,176
Compensation and Benefits	\$6,388	\$10,682	\$0	0.00%	\$10,682	\$10,682	\$16,434
Department of Defense Chief Information Officer	\$35,937	\$36,401	\$0	0.00%	\$36,401	\$36,401	\$67,346
Office of the Under Secretary of Defense for Policy	\$4,226	\$5,126	\$0	0.00%	\$5,126	\$5,126	\$5,282
Office of the Under Secretary of Defense for Research and Engineering	<u>\$2,860</u>	<u>\$3,046</u>	<u>\$0</u>	<u>0.00%</u>	<u>\$3,046</u>	<u>\$3,046</u>	<u>\$3,114</u>
Total	\$49,411	\$55,255	\$0	0.00%	\$55,255	\$55,255	\$92,176

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

<u>B. Reconciliation Summary</u>	<u>Change</u>	<u>Change</u>
	<u>FY 2023/FY 2023</u>	<u>FY 2023/FY 2024</u>
BASELINE FUNDING	\$55,255	\$55,255
Congressional Adjustments (Distributed)	0	
Congressional Adjustments (Undistributed)	0	
Adjustments to Meet Congressional Intent	0	
Congressional Adjustments (General Provisions)	0	
SUBTOTAL APPROPRIATED AMOUNT	55,255	
Fact-of-Life Changes (2023 to 2023 Only)	0	
SUBTOTAL BASELINE FUNDING	55,255	
Supplemental	0	
Reprogrammings	0	
Price Changes		1,518
Functional Transfers		0
Program Changes		35,403
CURRENT ESTIMATE	55,255	92,176
Less: Supplemental	0	
NORMALIZED CURRENT ESTIMATE	\$55,255	\$92,176

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

FY 2023 President's Budget Request (Amended, if applicable)	\$55,255
1. Congressional Adjustments	\$0
a) Distributed Adjustments.....	\$0
b) Undistributed Adjustments	\$0
c) Adjustments to Meet Congressional Intent.....	\$0
d) General Provisions	\$0
FY 2023 Appropriated Amount	\$55,255
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 2023 Baseline Funding	\$55,255
4. Reprogrammings (Requiring 1415 Actions).....	\$0
a) Increases	\$0

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

b) Decreases	\$0
Revised FY 2023 Estimate	\$55,255
5. Less: Item 2, Supplemental Appropriation and Item 4, Reprogrammings	\$0
a) Less: Supplemental Funding	\$0
FY 2023 Normalized Current Estimate	\$55,255
6. Price Change	\$1,518
7. Functional Transfers	\$0
a) Transfers In	\$0
b) Transfers Out	\$0
8. Program Increases	\$37,070
a) Annualization of New FY 2023 Program	\$0
b) One-Time FY 2024 Increases	\$0
c) Program Growth in FY 2024	\$37,070
1) Compensation and Benefits - Alignment of Cybersecurity Maturity Model Certification (CMMC) - DoD CIO ..	\$1,454
Increase of 6 FTEs and associated funds aligns resources and responsibilities of the Cybersecurity Maturity Model Certification (CMMC) program from Office of the Under Secretary of Defense for Acquisition and Sustainment (OUSD(A&S)) to DoD CIO Cyber (OSD OP-5 Decrease Statement Part 3C-9 #1). (FY 2023 Baseline: \$10,682 thousand; 47 FTEs; +6 FTEs)	
2) Compensation and Benefits - Civilian Average Annual Compensation	\$329

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

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 change is the result of these rate changes combined with the fluctuations in composition of civilian pay types and funding alignment to budget execution.

(FY 2023 Baseline: \$10,682 thousand; 47 FTEs)

3) Compensation and Benefits - Cyber Scholarship Program - DoD CIO..... \$474

Increase of 2 FTEs and associated funding to manage the Cyber Scholarship Program within DoD CIO. As a DoD recruitment tool, the program sponsors students who are not currently DoD or government employees and are enrolled in or applying to universities designed as a National Center of Academic Excellence in Cybersecurity. Following the scholarship program, students are eligible for full-time employment with DoD CIO or within the Department.

(FY 2023 Baseline: \$10,682 thousand; 47 FTEs; +2 FTEs)

4) Compensation and Benefits - One more compensable day in FY 2024 \$63

The number of compensable days for FY 2023 is 260 days (2,080 hours), and for FY 2024 is 261 days (2,088 hours).

(FY 2023 Baseline: \$10,682 thousand; 47 FTEs)

5) Compensation and Benefits - Principle Cyber Advisor Enhanced Budgetary Control - OUSD(Policy) \$2,895

Increase of 12 FTEs and associated funding provides Policy Cyber Advisors to provide oversight of United States Cyber Command (USCYBERCOM) in the Planning, Programming, Budgeting, and Execution System and all phases of acquisition.

(FY 2023 Baseline: \$10,682 thousand; 47 FTEs; +12 FTEs)

6) Mission - Cyber Scholarship Program - DoD CIO..... \$14,000

Increase funds to the DSD 2023-2027 Cyber Workforce Strategy goal to foster collaboration and partnerships to enhance capability development, operational effectiveness and career broadening experiences. The Increase supports academic engagement and cultivates a talent pipeline while supporting important areas of research funding 100 Cyber Scholarships per year.

(FY 2023 Baseline: \$17,571 thousand; 0 FTEs; +0 FTEs)

7) Mission - Develop Work Roles for Critical Skill Positions - DoD CIO..... \$8,300

Increase to develop and codify work roles for 1-2 communities per year consistent with the Deputy Secretary of Defense direction at the Deputy's Workforce Council, related to the innovation workforce, and will additionally fund integration to work role data into a centralized system for tracking.

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

(FY 2023 Baseline: \$15,231 thousand; 0 FTEs; +0 FTEs)

8) Mission - Enhancement of Zero Trust Portfolio Management Office - DoD CIO \$9,250
 Increase supports expansion of the Zero Trust Portfolio Management Offices to oversee and execute SIPR 2.0-related Zero Trust pilots, and lead a study to identify capability gaps for Zero Trust on SIPR, proposed architectures/solutions to fill the gaps, and a concept of operations for the defensive cyber mission in the new Zero Trust paradigm.

(FY 2023 Baseline: \$17,571 thousand; 0 FTEs; +0 FTEs)

9) Mission - Principal Cyber Advisor Enhanced Budgetary Control & Oversight Compliance - OUSD(P) \$305
 Increase supports enhanced oversight of USCYBERCOM in the Planning, Programming, Budgeting, and Execution System and for all phases of acquisition.

(FY 2023 Baseline: \$4,952 thousand; 0 FTEs; +0 FTEs)

9. Program Decreases	\$-1,667
a) Annualization of FY 2023 Program Decreases	\$0
b) One-Time FY 2023 Increases	\$0
c) Program Decreases in FY 2024	\$-1,667
1) Mission Support - Operations - DoD CIO	\$-1,524
Decrease reflects reduction to Information System Security Program as a result of efficiencies and mitigations.	
2) Mission Support - Operations - USD(P)	\$-143
Decrease reflects internal funding realignment to better support the USDP (PCA) program.	
FY 2024 Budget Request	\$92,176

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IV. Performance Criteria and Evaluation Summary:

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

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

Major Program Title: Defense Industrial Base Cybersecurity Activities

Measure/Description	Actuals	Enacted	Request
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.	FY 2022	FY 2023	FY 2024
Metric #1: Encourage defense contractors to join the voluntary DIB Cybersecurity Program. (# of new participants)	90	150	150
METRIC #2.a.: Number of companies participating in DIB CS Pilot Program with non-cleared defense contractors.	22	30*	30*
METRIC #2.b.: Products (cybersecurity threat indicators) shared with participants in the DIB CS Pilot Program with non-cleared defense contractors.	8	25	52
METRIC #3: Provide expertise in support of the implementation of the Defense Federal Acquisition Regulation Supplement (DFARS) clause 252.204-7012 in defense contracts. (# of engagements with industry and government)	35	40	45
Metric #4: Through the DoD Cyber Crime Center, continue to develop meaningful cyber threat information products to share with DIB CS participants.	1750	2500	2500

- **Denotes maximum allowable participation**

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IV. Performance Criteria and Evaluation Summary:

Major Program Title: Cybersecurity

Measure/Description	Actuals	Enacted	Request
	FY 2022	FY 2023	FY 2024
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 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>Change FY 2022/ FY 2023</u>	<u>Change FY 2023/ FY 2024</u>
Civilian End Strength (Total)	29	47	67	18	20
U.S. Direct Hire	29	47	67	18	20
Total Direct Hire	29	47	67	18	20
Civilian FTEs (Total)	29	47	67	18	20
U.S. Direct Hire	29	47	67	18	20
Total Direct Hire	29	47	67	18	20
Average Annual Civilian Salary (\$ in thousands)	220.3	227.3	245.3	7.0	18.0

Personnel Summary Explanations:

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

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

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

		<u>Change from FY 2022 to FY 2023</u>			<u>Change from FY 2023 to FY 2024</u>			
	<u>FY 2022</u>	<u>Price</u>	<u>Program</u>	<u>FY 2023</u>	<u>Price</u>	<u>Program</u>	<u>FY 2024</u>	
	<u>Program</u>	<u>Growth</u>	<u>Growth</u>	<u>Program</u>	<u>Growth</u>	<u>Growth</u>	<u>Program</u>	
101	EXEC, GEN'L & SPEC SCHEDS	6,388	264	4,030	10,682	537	5,215	16,434
0199	TOTAL CIVILIAN PERSONNEL COMPENSATION	6,388	264	4,030	10,682	537	5,215	16,434
308	TRAVEL OF PERSONS	30	1	50	81	2	-5	78
0399	TOTAL TRAVEL	30	1	50	81	2	-5	78
671	DISA DISN SUBSCRIPTION SERVICES (DSS)	1,554	50	-1,604	0	0	0	0
0699	TOTAL OTHER FUND PURCHASES	1,554	50	-1,604	0	0	0	0
920	SUPPLIES & MATERIALS (NON-FUND)	1,299	27	-1,326	0	0	0	0
932	MGT PROF SUPPORT SVCS	37,535	788	-7,961	30,362	668	14,437	45,467
933	STUDIES, ANALYSIS & EVAL	0	0	1,263	1,263	28	-21	1,270
934	ENGINEERING & TECH SVCS	2,579	54	8,629	11,262	248	1,956	13,466
987	OTHER INTRA-GOVT PURCH	4	0	1,461	1,465	32	-179	1,318
988	GRANTS	0	0	0	0	0	14,000	14,000
989	OTHER SERVICES	22	0	118	140	3		143
0999	TOTAL OTHER PURCHASES	41,439	869	2,184	44,492	979	30,193	75,664
9999	GRAND TOTAL	49,411	1,184	4,660	55,255	1,518	35,403	92,176