

Subject: Office of Personnel Management Requirements	DoD Serial Number: FY 15-25 PA
Appropriation Title: Various Appropriations	Includes Transfer? Yes

Component Serial Number:	(Amounts in Thousands of Dollars)							
	Program Base Reflecting Congressional Action		Program Previously Approved by Sec Def		Reprogramming Action		Revised Program	
Line Item	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
a	b	c	d	e	f	g	h	i

This reprogramming action is submitted for approval because it uses general transfer authority, exceeds established reprogramming thresholds, and affects congressional special interest items. This reprogramming action provides funding in support of higher priority items, based on unforeseen military requirements, than those for which funds were originally appropriated; and are determined to be necessary in the national interest. They meet all administrative and legal requirements, and none of the items has previously been denied by the Congress.

This reprogramming action transfers or realigns \$155.378 million among Fiscal Year (FY) 2015 Defense appropriations. This reprogramming action uses \$79.545 million of general transfer authority pursuant to section 8005 of division C of Public Law 113-235, the Department of Defense (DoD) Appropriations Act, 2015; and section 1001 of Public Law 113-291, the Carl Levin and Howard P. "Buck" McKeon National Defense Authorization Act for FY 2015.

<u>FY 2015 REPROGRAMMING INCREASES:</u>	<u>+155,378</u>	<u>+132,042</u>
<u>Operation and Maintenance, Army, 15/15</u>	<u>+54,300</u>	
<u>Budget Activity 04: Administration and Servicewide Activities</u>		
11,937,862	12,067,529	+54,300
		12,121,829
<u>Operation and Maintenance, Navy, 15/15</u>	<u>+41,781</u>	<u>+18,445</u>
<u>Budget Activity 04: Administration and Servicewide Activities</u>		
5,238,641	5,274,908	+41,781
		5,316,689
		+18,445
		5,293,353
<u>Operation and Maintenance, Air Force, 15/15</u>	<u>+36,670</u>	
<u>Budget Activity 04: Administration and Servicewide Activities</u>		
7,463,610	7,918,545	+36,670
		7,955,215
<u>Operation and Maintenance, Defense-Wide, 15/15</u>	<u>+22,627</u>	
<u>Defense Security Services</u>	533,236	533,236
		+22,627
		555,863

Explanation: Funds are required to provide a suite of identity monitoring and recovery services for the Department of Defense (DoD) population affected by the cyber security incident at the Office of Personnel Management (OPM) in which sensitive information in background investigation databases, including the social security numbers of 21.5 million individuals, was compromised. Funds will pay for individual notifications; full service identity restoration support and victim recovery assistance; identity theft insurance; identity monitoring for minor children; continuous credit monitoring; and fraud monitoring services beyond credit files for DoD personnel to include contractor personnel exposed in the breach.

Approved (Signature and Date)

Michael M. Carol

July 28, 2015

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In addition, DoD is incurring higher than expected costs for security clearance background investigations in FY 2015. In the fall of 2014, OPM did not renew its contract with its main provider of background investigation services after the discovery of significant performance and security issues. As a result, OPM has had to rely on two smaller contractors that charge higher rates, and has raised DoD's prices accordingly.

FY 2015 REPROGRAMMING DECREASES: **-155,378** **-132,042**

ARMY DECREASE: **-54,300**

Military Personnel, Army, 15/15 **-54,300**

Budget Activity 02: Pay and Allowances of Enlisted

25,881,142 25,771,142 **-54,300** 25,716,842

Explanation: Funds are available from the following programs:

- \$-12.8 million due to lower than projected Overseas Station Allowance (OSA) execution. Since midyear, the yearend projection for enlisted OSA decreased resulting from market survey data tied to Cost of Living Adjustment (COLA) payments. This is base budget funding.
- \$-22.5 million due to lower than projected enlisted separation payments. Since midyear, the yearend projection for enlisted separation payments has decreased for two reasons. First, overall active component separations have decreased in the latest Active Army Military Manpower Plan (AAMMP) from 74.4K at midyear to 73.8K currently. This is driving a reduction to projected lump-sum terminal leave payments. Second, the Army is seeing fewer disability separation payments than anticipated at the midyear position. Currently, the Army projects ~6.4K disability payments, down from the assumed midyear position of 6.8K payments. This is base budget funding.
- \$-19.0 million due to lower than projected enlisted Basic Allowance for Housing (BAH) payments. Since midyear, the yearend projection for BAH has decreased resulting from a slight reduction in the percentage of Soldiers receiving BAH. This is base budget funding.

NAVY DECREASES: **-41,781** **-18,445**

Military Personnel, Navy, 15/15 **-8,000**

Budget Activity 02: Pay and Allowances of Enlisted

17,645,530 17,636,530 **-8,000** 17,628,530

Explanation: Funds are available due to lower than anticipated execution of Selective Reenlistment Bonuses. The Navy anticipates approximately 1,500 fewer Reenlistment Bonus anniversary payments will be paid than had been budgeted. This is base budget funding.

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Military Personnel, Marine Corps, 15/15**-3,445**Budget Activity 02: Pay and Allowances of Enlisted

9,066,143

8,969,143

-3,445

8,965,698

Explanation: Funds are available due to lower than anticipated execution of enlisted work years (-55) as a result of successful force shaping efforts. This is base budget funding.

Operation and Maintenance, Navy, 15/15**23,336**Budget Activity 01: Operating Forces

36,880,395

37,375,564

23,336

37,352,228

Explanation: Funds are being made available to accommodate the emerging OPM security breach-related higher priority requirement from lower priority facilities sustainment projects. This is a congressional special interest item. This is base budget funding.

HAC Denied**Procurement, Marine Corps, 15/17****-7,000**Budget Activity 04: Communications and Electronic Equipment

Comm Switching & Control Systems 64,992

62,592

-1,000

61,592

Explanation: Funds are being made available to accommodate the emerging OPM security breach-related higher priority requirement. The Marine Corps can defer the procurement of a Global Broadcasting System - Suitcase Portable Receive Suite and a Rapid Response Kit (RRK) for the Fleet Antiterrorism Security Team (FAST) without affecting the Marine Corps mission. This is base budget funding.

Budget Activity 06: Engineer and Other Equipment

EOD Systems

14,079

14,079

-6,000

8,079

Explanation: Funds are being made available to accommodate the emerging OPM security breach-related higher priority requirement. The Marine Corps can defer the procurement of 27 robots and 89 egress kits without affecting the Marine Corps mission. This is base budget funding.

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<u>AIR FORCE DECREASE:</u>						<u>-36,670</u>			
<u>Operation and Maintenance, Air Force, 15/15</u>						<u>-36,670</u>			
<u>Budget Activity 01: Operating Forces</u>									
		26,743,157		26,663,068		-36,670		26,626,398	
<p><u>Explanation:</u> Funds are being made available to accommodate the emerging OPM security breach-related requirement from Centrally Managed Programs, (i.e., overseas storm damage funds). This is base budget funding.</p>									
<u>DEFENSE-WIDE DECREASES:</u>						<u>-22,627</u>			
<u>Operation and Maintenance, Defense-Wide, 15/15</u>						<u>-15,827</u>			
<u>Department of Defense Education Agency</u>									
		2,657,680		2,657,680		-10,000		435,816	
<p><u>Explanation:</u> Funds are available due to the closure and consolidation of several schools, decreasing the required payroll for August and September. School closings during FY 2015 occurred at the following: Bamberg Elementary School (ES), Bamberg, Germany; Bamberg High School (HS), Bamberg, Germany; Schweinfurt ES/Middle School (MS), Schweinfurt, Germany; Schweinfurt HS, Schweinfurt, Germany; Wetzlar ES, Baumholder, Germany; Bitburg, MS/HS, Bitburg, Germany; Richard Byrd ES, Yokosuka, Japan; Holbrook ES, Fort Bragg, North Carolina; Murray Primary School (PS), Fort Bragg, North Carolina; and Pope ES, Fort Bragg, North Carolina. School consolidations during FY 2015 occurred at the Ashurst ES, Quantico, Virginia, Burrows ES, Quantico, Virginia, and Russell, ES, Quantico, Virginia. This is base budget funding.</p>									
<u>The Joint Staff</u>		434,217		434,217		-2,000		432,217	
<p><u>Explanation:</u> Funds are available from the Combatant Commander Initiative Fund (CCIF) due to decreased military operations in Iraq and Afghanistan; thus, fewer U.S. forces required CCIF authority in support of current operations. This is base budget funding.</p>									
<u>Office of the Secretary of Defense</u>		2,030,531		2,030,531		-3,827		2,026,704	
<p><u>Explanation:</u> Funds are available from the following programs:</p> <ul style="list-style-type: none"> • \$-2.627 million from the Office of the Under Secretary of Defense (Comptroller) due to contracts being awarded for less than the original projected requirements and some Financial Management Certification courses were developed in FY 2014 that had been planned for funding in FY 2015. This is base budget funding. 									

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- \$-1.2 million from the Office of the Under Secretary of Defense (Policy)'s rewards program due to more lower priced payouts and fewer high dollar payments. This is base budget funding.

Office of the Inspector General, 15/15

320,137

320,137

-5,500**-5,500**

314,637

Explanation: Funds are available due to a civilian hiring lag and lower than expected costs for rent, equipment, and minor construction. This is base budget funding.

Chemical Agents and Munitions Destruction, Defense, 15/15

165,042

151,342

-1,300**-1,300**

150,042

Explanation: Funds are available due to destruction operations of 10 recovered chemical-filled munitions at Schofield Barracks, Hawaii being completed under budget. Operations were completed in May 2015. In addition, support contracts for assessment and destruction system improvements were awarded for less than projected due to increased contractor competition. This is base budget funding.