

Subject: Additional Operation and Maintenance Requirements		DoD Serial Number: FY 15-30 PA
Appropriation Title: Various Appropriations		Includes Transfer? Yes

Component Serial Number:	<i>(Amounts in Thousands of Dollars)</i>							
	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 action is being submitted for prior 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 \$140.688 million from the Defense Working Capital Fund appropriation to various Operation and Maintenance, 15/15, appropriations pursuant to section 8008 of division C of Public Law 113-235, the Department of Defense (DoD) Appropriations Act, 2015.

<u>FY 2015 REPROGRAMMING INCREASES:</u>	<u>+140,688</u>	<u>+89,188</u>
<u>Operation and Maintenance, Navy, 15/15</u>	<u>+70,588</u>	
<u>Budget Activity 04: Administration and Servicewide Activities</u>		
5,238,641	5,274,908	<u>+70,588</u>
		5,316,689

Explanation: Funds are required for the following efforts:

- \$+23.336 million is required for the Office of Personnel Management (OPM) to provide a suite of credit monitoring services for the Department of Defense (DoD) population affected by the cyber security incident at the OPM where sensitive information, including the Social Security Numbers (SSNs) of 21.5 million individuals, was stolen from the OPM background investigation databases. 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 the affected DoD and contractor personnel exposed in the OPM security breach. Additional unanticipated costs have also been incurred by the OPM Federal Investigative Service due to unplanned price increases for security clearance related investigation services as a result of the decision by OPM to not renew the contract option for their largest and least costly provider of investigation services following the Navy Yard incident. The costs for these services under the terms of the remaining two contracts are significantly higher during FY 2015 for the Department of Defense and the rest of the Federal government. **This requirement was previously approved by all four committees on FY 15-25 PA (Office of Personnel Management Requirements, dated July 28, 2015).** This is a base budget requirement.

Approved (Signature and Date)

Michael McCord

September 18, 2015

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- \$+14.652 million is required to support the 19.6% rate increase charged by the Office of Personnel Management’s (OPM) for the Personnel Security Clearance program. **This requirement was previously approved by all four committees on FY 15-09 PA (February 2015 Prior Approval Request, dated March 12, 2015).** This is a base budget requirement.
- \$+32.6 million is required to support the Department of the Navy (DON) Schedule of Budgetary Activity (SBA) audit while concurrently executing the remainder of the plan to achieve full auditability by FY 2017. Increased investment in FY 2015 is required for growing and maintaining DON's organizational ability to respond to financial auditors' request for information and business data; improving major asset accountability and valuation; aligning additional business, financial, and accounting systems and processes with current audit standards; and improving DON's business information systems environment with strengthened access and security controls and enhanced data integrity. **This requirement was previously approved by all four committees on FY 15-09 PA (February 2015 Prior Approval Request, dated March 12, 2015).** This is a base budget requirement.

Operation and Maintenance, Air Force, 15/15			+70,100	+18,600
<u>Budget Activity 03: Training and Recruiting</u>				
	3,380,540	3,392,236	+32,100	3,424,336
			+18,600	3,410,836

Explanation: Funds are required for the following efforts:

- \$+12.5 million for Basic Military Training and Air Force Specialty Code awarding courses, training systems and overhead directly tied to student production. Training includes Officer and Enlisted Initial Skills, Mission Readiness Training, field training detachments, survival evasion resistance and escape, and trained dog requirements. This is a base budget requirement.
- \$+6.1 million for Remotely Piloted Aircraft (RPA) pilot production to meet and sustain increased operational coverage. Due to increased RPA pilot demand, additional manpower, simulators, computer equipment, and classrooms are required. This is a base budget requirement.
- ~~\$+13.5 million for Air Force accessions initiatives to eliminate single-manned recruiting offices and increase funding for the Profession of Arms Center of Excellence, Basic Military Training gender integration, and the execution of Airmen's week program. This is a base budget requirement.~~

SASC Denied

<u>Budget Activity 04: Administration and Servicewide Activities</u>				
	7,678,299	7,766,599	+38,000	7,804,599

Explanation: Funds are required for the following efforts:

- ~~\$+38.0 million for manpower support from an Independent Public Accounting (IPA) firm to work with Air Force Major Commands to meet audit readiness goals. The Air Force does not have~~

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~~organic staff available to accomplish the remaining tasks required for audit readiness by FY 2017 and will require support from IPAs to meet the goals. This is a base budget requirement.~~

SASC Denied

FY 2015 REPROGRAMMING DECREASE: **-140,688** **-89,188**

Defense Working Capital Fund, Defense, X **-140,688** **-89,188**

Explanation: Funds are available in the Defense Working Capital Fund (DWCF) due to commodity market volatility that has resulted in the cost to purchase refined petroleum products being lower than budgeted. The lower costs have allowed the DWCF to build a cash balance that is excess to current projected requirements. Approval of this reprogramming action will not negatively impact the yearend cash balance. After the reprogramming of this asset, the DWCF cash balance should remain within the FY 2015 upper and lower operational requirements of \$2.58 billion and \$1.52 billion, respectively. **While all four committees approved this source on FY 15-23 PA (Omnibus 2015 Prior Approval Request, dated June 30, 2015), the Defense Health Program reduced its requirement by \$305.5 million from \$885.5 million to \$580.0 million based on the latest execution data reflecting the full impact of aggressive management actions to reduce compound pharmacy requirements.**

OUSD(C) adjusted to balance to approved requirements