

Subject: Defense Working Capital Fund Request Appropriation Title: Various Appropriations	DoD Serial Number: FY 18-26 PA
	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 prior approval reprogramming action is submitted for approval because this action uses general and special transfer authority and exceeds established reprogramming thresholds. The reprogramming action provides funding in support of higher priority items, based on unforeseen military requirements, than those for which originally appropriated; and are determined to be necessary in the national interest. They meet all administrative and legal requirements, and none of the items have previously been denied by the Congress.

**Part I** of this reprogramming action transfers \$666.033 million among Fiscal Year (FY) 2018 Defense appropriations. This reprogramming action uses \$666.033 million of general transfer authority pursuant to section 8005 of division C of Public Law 115-141, the Department of Defense (DoD) Appropriations Act, 2018; and section 1001 of Public Law 115-91, the National Defense Authorization Act for FY 2018.

**Part II** of this reprogramming action transfers \$20.0 million among FY 2018 Defense appropriations. This reprogramming action uses \$20.0 million of special transfer authority pursuant to section 9002 of Title IX Overseas Contingency Operations (OCO) of division C of Public Law 115-141, the DoD Appropriations Act, 2018.

**PART I**

<b><u>FY 2018 REPROGRAMMING INCREASE:</u></b>	<b><u>+666,033</u></b>	<b><u>+465,250</u></b>
<b><u>Defense Working Capital Fund, Defense X</u></b>	<b><u>+666,033</u></b>	<b><u>+465,250</u></b>

Explanation: Funds are required in the Defense Working Capital Fund, Defense to prevent a cash shortfall caused by increases in the price of refined fuel products above the amount budgeted for these products.

<b><u>FY 2018 REPROGRAMMING DECREASES:</u></b>	<b><u>-666,033</u></b>	<b><u>+465,250</u></b>
<b><u>ARMY DECREASES:</u></b>	<b><u>-221,465</u></b>	
<b><u>Military Personnel, Army, 18/18</u></b>	<b><u>-137,643</u></b>	
<b><u>Budget Activity 01: Pay and Allowances of Officers</u></b>		
13,473,951	13,386,626	-13,706
		13,372,920

Approved (Signature and Date)



19 Sept 2018

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Explanation: Funds are available from the following programs:

- \$-10.681 million in Thrift Savings Plan (TSP) automatic and matching contributions for military members enrolled in the new Blended Retirement System (BRS). This amount is in addition to \$-40.942 million previously identified in reprogramming action FY 18-17 PA and is based on an additional 2 months of actual execution, which indicate the number of military personnel opting-into the new BRS continues to lag behind projections. This is base budget funding.
- \$-3.025 million in Continuation Pay (CP) due to lower than planned payment levels. Under the new BRS, CP is a one-time, mid-career bonus payment in exchange for an agreement to perform additional obligated service of at least 3 years. This amount is in addition to \$-16.303 million previously identified in reprogramming action FY 18-17 PA and is based on an additional 2 months of actual execution, which indicates the number of military personnel eligible to elect CP is fewer than projected. This is base budget funding.

Budget Activity 02: Pay and Allowances of Enlisted

26,433,288	25,559,308	-118,937	25,440,371
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Explanation: Funds are available from the following programs:

- \$-45.0 million are from enlisted basic pay, retired pay accrual, and federal insurance contributions taxes due to lower than funded Active Component enlisted strength levels. The Army projected 377,117 enlisted workyears in the OMNIBUS reprogramming request. Based on reductions to the latest strength forecasts, the Army now projects execution of 375,778 enlisted workyears, -1,339 fewer than planned in the OMNIBUS. This is base budget funding.
- \$-69.630 million in Thrift Savings Plan (TSP) automatic and matching contributions for military members enrolled in the new Blended Retirement System (BRS). This amount is in addition to \$-40.303 million total that was previously identified in reprogramming actions FY 18-17 PA and FY 18-23 PA and is based on an additional 2 months of actual execution, which indicate the number of military personnel opting-into the new BRS continues to lag behind projections. This is base budget funding.
- \$-4.307 million in Continuation Pay (CP) due to lower than planned payment levels. Under the new BRS, CP is a one-time, mid-career bonus payment in exchange for an agreement to perform additional obligated service of at least 3 years. This amount is in addition to \$-31.177 million previously identified in reprogramming action FY 18-17 PA and is based on an additional 2 months of actual execution, which indicates the number of military personnel eligible to elect CP is fewer than projected. This is base budget funding.



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<b>National Guard Personnel, Army, 18/18</b>						<b>-39,899</b>		
Budget Activity 01: Reserve Component Training and Support								
	8,779,075		8,765,326			-39,899		8,725,427

Explanation: Funds are available from the following programs:

- \$-13.0 million in Inactive Duty Training and Annual Training cost-avoidance stemming from Guardsmen supporting the southern border mission. This is base budget funding.
- \$-6.0 million in Pay Group F/P due to fewer than budgeted accessions. This is base budget funding.
- \$-6.0 million in Administration and Support for a reduction in the number of required incapacitation payments. This is base budget funding.
- \$-13.822 million in Thrift Savings Plan (TSP) automatic and matching contributions for military members enrolled in the new Blended Retirement System (BRS). This amount is in addition to \$-9.759 million previously identified in reprogramming action FY 18-17 PA and is based on an additional 2 months of actual execution, which indicate the number of military personnel opting-into the new BRS continues to lag behind projections. This is base budget funding.
- \$-1.077 million in Continuation Pay (CP) due to lower than planned payment levels. Under the new BRS, CP is a one-time, mid-career bonus payment in exchange for an agreement to perform additional obligated service of at least 3 years. This amount is in addition to \$-4.355 million previously identified in reprogramming action FY 18-17 PA and is based on an additional 2 months of actual execution, which indicates the number of military personnel eligible to elect CP is fewer than projected. This is base budget funding.

<b><u>NAVY DECREASES:</u></b>						<b>-56,082</b>		
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<b>Military Personnel, Navy, 18/18</b>						<b>-37,599</b>		
Budget Activity 01: Pay and Allowances of Officers								
	8,147,466		8,100,311			-14,516		8,085,795

Explanation: Funds are available from the following programs:

- \$-7.0 million in the basic allowance for housing (BAH) program due to actual BAH execution being lower than the budgeted rate increase of 3.6 percent and an increase in officers receiving BAH without dependents when estimated to receive BAH with dependents. This is base budget funding.
- \$-6.592 million in Thrift Savings Plan (TSP) automatic and matching contributions for military members enrolled in the new Blended Retirement System (BRS). This amount is in addition to \$-21.917 million previously identified in reprogramming action FY 18-17 PA and is based on an additional 2 months of actual execution, which indicate the number of military personnel opting-into the new BRS continues to lag behind projections. This is base budget funding.

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- \$-0.924 million in Continuation Pay (CP) due to lower than planned payment levels. Under the new BRS, CP is a one-time, mid-career bonus payment in exchange for an agreement to perform additional obligated service of at least 3 years. This amount is in addition to \$-5.618 million previously identified in reprogramming action FY 18-17 PA and is based on an additional 2 months of actual execution, which indicates the number of military personnel eligible to elect CP is fewer than projected. This is base budget funding.

Budget Activity 02: Pay and Allowances of Enlisted

18,628,954                      18,628,700                      **-18,083**                      18,610,617

Explanation: Funds are available from the following programs:

- \$-5.0 million in separation payments due to lower than projected number of Enlisted Sailors separating from the service. This is base budget funding.
- \$-10.456 million in Thrift Savings Plan (TSP) automatic and matching contributions for military members enrolled in the new Blended Retirement System (BRS). This amount is in addition to \$-63.293 million previously identified in reprogramming action FY 18-17 PA and is based on an additional 2 months of actual execution, which indicate the number of military personnel opting-into the new BRS continues to lag behind projections. This is base budget funding.
- \$-2.627 million in Continuation Pay (CP) due to lower than planned payment levels. Under the new BRS, CP is a one-time, mid-career bonus payment in exchange for an agreement to perform additional obligated service of at least 3 years. This amount is in addition to \$-11.505 million previously identified in reprogramming action FY 18-17 PA and is based on an additional 2 months of actual execution, which indicates the number of military personnel eligible to elect CP is fewer than projected. This is base budget funding.

Budget Activity 06: Other Military Personnel Costs

153,258                                      141,008                                      **-5,000**                                      136,008

Explanation: Funds are available in the unemployment compensation program due to lower than projected number of Sailors receiving payments. This is base budget funding.

**Military Personnel, Marine Corps, 18/18**

**-13,834**

Budget Activity 01: Pay and Allowances of Officers

2,899,356                                      2,901,170                                      **-4,542**                                      2,896,628

Explanation: Funds are available in the Thrift Savings Plan (TSP) automatic and matching contributions for military members enrolled in the new Blended Retirement System (BRS). This amount is in addition to \$-3.251 million previously identified in reprogramming action FY 18-17 PA and is based on an additional

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2 months of actual execution, which indicate the number of military personnel opting-into the new BRS continues to lag behind projections. This is base budget funding.

Budget Activity 02: Pay and Allowances of Enlisted

9,107,544                      9,019,806                      -9,292                      9,010,514

Explanation: Funds are available in the Thrift Savings Plan (TSP) automatic and matching contributions for military members enrolled in the new Blended Retirement System (BRS). This amount is in addition to \$-13.078 million previously identified in reprogramming action FY 18-17 PA and is based on an additional 2 months of actual execution, which indicate the number of military personnel opting-into the new BRS continues to lag behind projections. This is base budget funding.

Reserve Personnel, Navy, 18/18

-3,087

Budget Activity 01: Reserve Component Training and Support

2,005,210                      2,003,412                      -3,087                      2,000,325

Explanation: Funds are available from the following programs:

- \$-2.837 million in Thrift Savings Plan (TSP) automatic and matching contributions for military members enrolled in the new Blended Retirement System (BRS). This amount is in addition to \$-4.118 million previously identified in reprogramming action FY 18-17 PA and is based on an additional 2 months of actual execution, which indicate the number of military personnel opting-into the new BRS continues to lag behind projections. This is base budget funding.
- \$-0.250 million in Continuation Pay (CP) due to lower than planned payment levels. Under the new BRS, CP is a one-time, mid-career bonus payment in exchange for an agreement to perform additional obligated service of at least 3 years. This amount is in addition to \$-0.541 million previously identified in reprogramming action FY 18-17 PA and is based on an additional 2 months of actual execution, which indicates the number of military personnel eligible to elect CP is fewer than projected. This is base budget funding.

Reserve Personnel, Marine Corps, 18/18

-1,562

Budget Activity 01: Reserve Component Training and Support

767,820                      767,820                      -1,562                      766,258

Explanation: Funds are available in the Thrift Savings Plan (TSP) automatic and matching contributions for military members enrolled in the new Blended Retirement System (BRS). This amount is based on an additional 2 months of actual execution, which indicate the number of military personnel opting-into the new BRS continues to lag behind projections. This is base budget funding.

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<b><u>AIR FORCE DECREASES:</u></b>	<b><u>-178,703</u></b>
<b><u>Military Personnel, Air Force, 18/18</u></b>	<b><u>-172,169</u></b>
<b><u>Budget Activity 01: Pay and Allowances of Officers</u></b>	
9,323,809	9,262,439
	<b>-66,027</b>
	9,196,412

Explanation: Funds are available from the following programs:

- \$-55.0 million in officer basic pay (\$-26.0 million), retired pay accrual (\$-7.0 million), social security (\$-2.0 million), and basic allowance for housing (\$-20.0 million) due to inclusion of historical unliquidated obligation balances while estimating rate-driven program amounts for the FY 2018 President’s Budget. These unexpended balances were accounted for and adjusted accordingly in the FY 2019 President’s Budget. This is base budget funding.
- \$-9.425 million in Thrift Savings Plan (TSP) automatic and matching contributions for military members enrolled in the new Blended Retirement System (BRS). This amount is in addition to \$-24.408 million previously identified in reprogramming action FY 18-17 PA and is based on an additional 2 months of actual execution, which indicate the number of military personnel opting-into the new BRS continues to lag behind projections. This is base budget funding.
- \$-1.602 million in Continuation Pay (CP) due to lower than planned payment levels. Under the new BRS, CP is a one-time, mid-career bonus payment in exchange for an agreement to perform additional obligated service of at least 3 years. This amount is in addition to \$-29.419 million previously identified in reprogramming action FY 18-17 PA and is based on an additional 2 months of actual execution, which indicates the number of military personnel eligible to elect CP is fewer than projected. This is base budget funding.

<b><u>Budget Activity 02: Pay and Allowances of Enlisted Personnel</u></b>	
17,970,955	17,741,103
	<b>-106,142</b>
	17,634,961

Explanation: Funds are available from the following programs:

- \$-54.0 million consisting of enlisted basic pay (\$-36.0 million), retired pay accrual (\$-10.0 million), social security (\$-3.0 million), and basic allowances for housing \$-5.0 million) due to inclusion of historical unliquidated obligation balances while estimating rate-driven program amounts for the FY 2018 President’s Budget. These unexpended balances were accounted for and adjusted accordingly in the FY 2019 President’s Budget. This is base budget funding.
- \$-41.0 million in Selective Retention Bonuses (SRBs) due to lower than budgeted average rates of bonuses. Subsequent to FY18-17 PA reprogramming, the Air Force further refined SRB projections and determined the actual rates averaged \$18.0K versus the FY 2018 budgeted rate of \$40.3K. This was due to those who reenlisted were in Air Force Specialty Codes/Zones

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<b>a</b>	<b>b</b>	<b>c</b>	<b>d</b>	<b>e</b>	<b>f</b>	<b>g</b>	<b>h</b>	<b>i</b>

with lower multipliers than projected. However, the Air Force had 2,150 more overall SRB takers than anticipated but approximately 2,300 fewer than projected anniversary payments. This is base budget funding.

- \$-9.203 million in Thrift Savings Plan (TSP) automatic and matching contributions for military members enrolled in the new Blended Retirement System (BRS). This amount is in addition to \$-68.406 million previously identified in reprogramming action FY 18-17 PA and is based on an additional 2 months of actual execution, which indicate the number of military personnel opting-into the new BRS continues to lag behind projections. This is base budget funding.
- \$-1.939 million in Continuation Pay (CP) due to lower than planned payment levels. Under the new BRS, CP is a one-time, mid-career bonus payment in exchange for an agreement to perform additional obligated service of at least 3 years. This amount is in addition to \$-55.446 million previously identified in reprogramming action FY 18-17 PA and is based on an additional 2 months of actual execution, which indicates the number of military personnel eligible to elect CP is fewer than projected. This is base budget funding.

<b><u>National Guard Personnel, Air Force, 18/18</u></b>	<b><u>-6,534</u></b>
<b><u>Budget Activity 01: Reserve Component Training and Support</u></b>	
3,481,790	3,471,508
	<b>-6,534</b>
	3,464,974

Explanation: Funds are available from the following programs:

- \$-6.027 million in Thrift Savings Plan (TSP) automatic and matching contributions for military members enrolled in the new Blended Retirement System (BRS). This amount is in addition to \$-5.110 million previously identified in reprogramming action FY 18-17 PA and is based on an additional 2 months of actual execution, which indicate the number of military personnel opting-into the new BRS continues to lag behind projections. This is base budget funding.
- \$-0.507 million in Continuation Pay (CP) due to lower than planned payment levels. Under the new BRS, CP is a one-time, mid-career bonus payment in exchange for an agreement to perform additional obligated service of at least 3 years. This amount is in addition to \$-5.172 million previously identified in reprogramming action FY 18-17 PA and is based on an additional 2 months of actual execution, which indicates the number of military personnel eligible to elect CP is fewer than projected. This is base budget funding.

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<b><u>DEFENSE-WIDE DECREASES:</u></b>						<b><u>-209,783</u></b>	<b><u>-9,000</u></b>
<b><u>Defense Health Program, 18/18</u></b>						<b><u>-209,783</u></b>	<b><u>-9,000</u></b>
<b><u>Budget Activity 01: Operation and Maintenance</u></b>							
	31,918,359		31,130,346			<b><u>-209,783</u></b>	30,920,563
						<b><u>-9,000</u></b>	31,121,346

Explanation: Fund are available:

- ~~\$-200.783 million in the FY 2018 Private Sector Care (PSC) budget subactivity due to the utilization of the FY 2017/2018 carryover. This is a congressional special interest item. This is base budget funding.~~  
**HAC and SAC Denied**
- \$-9.0 million in the Consolidated Health Support budget subactivity due to both the standardization of workflow processes for the U.S. Army Medical Command’s Integrated Disability Evaluation System, allowing a reduction in staffing levels, and a reduction in the case volume for various programs. This is base budget funding.

**PART II**

**FY 2018 REPROGRAMMING INCREASE:** **+20,000**

**Defense Working Capital Fund, Defense X** **+20,000**

Explanation: Funds are required in the Defense Working Capital Fund, Defense to prevent a cash shortfall caused by increases in the price of refined fuel products above the amount budgeted for these products.

**FY 2018 REPROGRAMMING DECREASES:** **-20,000**

**ARMY DECREASES:** **-20,000**

**Military Personnel, Army, 18/18** **-20,000**

<b><u>Budget Activity 05: Permanent Change of Station Travel</u></b>							
	1,785,269		1,695,269			<b><u>-15,000</u></b>	1,680,269

Explanation: Funds are available in operational moves due to updated move projections for OCO permanent change of station (PCS) requirements. Improvements to the Army’s PCS processes have resulted in better visibility of PCS orders that are issued for OCO operations. Based on the number of OCO orders issued to date, the Army now projects 632 operational moves in fiscal year 2018, compared to the budgeted total of 1,798. This is Title IX OCO budget funding.

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<u>Budget Activity 06: Other Military Personnel Costs</u>								
		356,798		314,798		-5,000		309,798

Explanation: Funds are available due to a lower than projected number of Soldiers receiving unemployment compensation payments. The Army currently projects the total number of OCO unemployment compensation recipients to be 6,747, compared to the budgeted total of 7,394. This is Title IX OCO budget funding.