UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

JAN 09 2020

COMPTROLLER

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (FINANCIAL MANAGEMENT AND COMPTROLLER)
ASSISTANT SECRETARY OF THE NAVY (FINANCIAL MANAGEMENT AND COMPTROLLER)
ASSISTANT SECRETARY OF THE AIR FORCE (FINANCIAL MANAGEMENT AND COMPTROLLER)

SUBJECT: DD 1414, Base for Reprogramming Actions, Submission

You are directed to distribute **ALL** congressional actions including congressional adds, reductions, and those that specify a prorated reduction in the Enterprise Funds Distribution (EFD), Budget 2 Appropriation (B2A) system, which will create the DD 1414, Base for Reprogramming Actions for Fiscal Year (FY) 2020. I request that you complete your initial submission by Monday, **January 13, 2020**. It is extremely important that reports are submitted on time, because the Department will **not** be able to process **any** reprogramming actions or transfers affecting FY 2020 funds until the DD 1414 report is submitted to the congressional committees in accordance with section 8007, unless the Secretary of Defense certifies the requirement is an emergency. This initial submission must include proper footnoting of all congressional special interest programs consistent with the language and intent of the applicable committee reports and sections 8006 and 8007 of the Department of Defense Appropriations Act, 2020 (division A of Public Law 116-93).

The attachment provides a summary of the general reprogramming guidance included in the statement of the managers conference report accompanying the Act. The dollar thresholds for reprogramming FY 2020 funds are $10.0 million for the military personnel appropriation; $10.0 million for the Operation and Maintenance; $10.0 million for the procurement appropriations; and $10.0 million for the research, development, test, and evaluation appropriations. The Department shall continue to follow the limitation that prior approval reprogrammings are set at either the specified dollar threshold or 20 percent of the procurement or research, development, test and evaluation budget line item, whichever is less. Also the Department is required to submit a prior approval reprogramming action vice a notification for realignments in excess of $10 million out of designated O&M readiness subactivity groups. **This includes O&M funds appropriated in Title IX Overseas Contingency Operations (OCO)**.

All thresholds are cumulative from the base for reprogramming value as modified by any congressional action, to include rescissions, supplemental, and approved DD 1415 reprogramming. Therefore, if the **net value** of transfers into or out of budget line items exceeds the identified threshold; the Department of Defense must submit a prior approval reprogramming request to the congressional defense committees. As a reminder, the percentage change limitation for acquisition accounts applies to both program increases and decreases. This percentage change applies to the program base value at the time of the below threshold reprogramming (BTR) is executed.

My point of contact is Brian Snyder (Brian.D.Snyder22.civ@mail.mil), 703-697-0022. For EFD technical assistance, contact B2A EFD Support (osd.pentagon.ousd-c.list.b2a-efd-support@mail.mil), 703-697-0024.

Elaine McCusker

Elaine McCusker
Acting

Attachment:
As stated

cc:
Director for Investment, OUSD(C) (Program/Budget)
Director for Military Personnel and Construction, OUSD(C) (Program/Budget)
Director for Operations Directorate, OUSD(C) (Program/Budget)

General Reprogramming Guidance Accompanying Public Law 116-93
(Division A, Department of Defense Appropriations Act, 2020)

The Department is allowed to realign funds **within** an appropriation using below threshold reprogramming (BTR) authority without congressional approval *provided* that established congressional limitations are not exceeded or a designated congressional special interest item is not affected.

- Components may not use BTR authority to restore or reduce funding from congressional special interest items
- The Shipbuilding and Conversion, Navy appropriation has no BTR authority as its funding is line-item appropriated.)

All thresholds are cumulative from the base for reprogramming value as modified by any congressional action, to include rescissions, supplemental, and approved reprogramming action (DD 1415). Therefore, the Department of Defense must submit a prior approval reprogramming request to the congressional defense committees if the **net value** of realignments into or out of programs exceeds the identified threshold for the following accounts:

- Military Personnel accounts: $10 million between M-1 budget activities;
- Operation and Maintenance (O&M) accounts except O&M, Defense-Wide: $10 million between O-1 budget activities except for special interest O&M budget line items;
- Procurement accounts: $10.0 million or 20% of the budget line item, whichever is less, between P-1 budget line items;
- Research, Development, Test and Evaluation accounts: $10.0 million or 20% of the budget line item, whichever is less, between R-1 budget line items.

As a reminder, the percentage change limitation for acquisition accounts applies to **both program increases and decreases**. This percentage change applies to the program base value at the time of the BTR is executed

Congressional Special Interest Items: Items for which additional funds have been provided or have been specifically reduced as shown in the project level tables or in paragraphs using the phrase "only for" or "only to" in the explanatory statement must be designated as congressional special interest items for the purpose of the Base for Reprogramming (DD Form 1414). Each of these items must be carried on the DD Form 1414 at the stated amount as specifically addressed in the explanatory statement. The Department may not use BTR authority to either restore or reduce funding from congressional special interest items as identified on the DD Form 1414.

The following are some other congressional special interest items identified in the explanatory statement and specific congressional direction with regard to using reprogramming authority. . As a reminder, all Components must consult each of the committees' reports for specific program limitations and congressional direction.

Attachment

O&M Special Interest Items: The following items require submission of a **prior approval** reprogramming action to the congressional committees if the following conditions are met. **This includes O&M funds appropriated in Title IX (OCO).**

- Readiness O&M Subactivity Groups (SAGs) – Realignments in excess of $10.0 million **out of** any of the following SAGs:

  Army:
  Maneuver units
  Modular support brigades
  Land forces operations support
  Aviation assets
  Force readiness operations support
  Land forces depot maintenance
  Base operations support
  Facilities sustainment, restoration, and modernization
  Specialized skill training

  Navy:
  Mission and other flight operations
  Fleet air training
  Aircraft depot maintenance
  Mission and other ship operations
  Ship depot maintenance
  Facilities sustainment, restoration, and modernization

  Marine Corps:
  Operational forces
  Field logistics
  Depot maintenance
  Facilities sustainment, restoration, and modernization

  Air Force:
  Primary combat forces
  Combat enhancement forces
  Depot purchase equipment maintenance
  Facilities sustainment, restoration, and modernization
  Contractor logistics support and system support
  Flying hour program

  Air Force Reserve:
  Primary combat forces

  Air National Guard:
  Aircraft operations

- Other Special Interest O&M SAGs – Realignments in excess of $10.0 million **into** any of the following SAGs:

  Operation and Maintenance, Army:
  Recruiting and advertising

  Operation and Maintenance, Army National Guard:
  Other personnel support/recruiting and advertising

Defense Health Program

- The Secretary of Defense is required to submit a prior approval reprogramming action for any transfers into or out of the In-House Care and Private Sector Care budget sub activities within the DHP O&M budget activities.

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