



OFFICE OF THE UNDER SECRETARY OF DEFENSE  
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WASHINGTON, DC 20301-1100

7 APR 2022

COMPTROLLER  
(Program/Budget)

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Applying Reductions to Fiscal Year 2022 Appropriations and Prior Year Unobligated Balances

This memorandum provides guidance on how to apply reductions to congressionally directed spending items in the Department of Defense Appropriations Act, 2022 (Division C of Public Law 117-103), which include certain tabular entries in the explanatory statement accompanying the Act given statutory effect by general provision (GP) 8006, as well as items provided for in several other GPs that earmark a portion of an appropriation only for a specific purpose.

Section 8006 incorporates into law increased funding levels specified in the Explanation of Project Level Adjustments tables in the joint explanatory statement for a particular program, project, or activity whenever the amount provided for a program, project, and activity (PPA) exceeds the amount requested in the President's Budget. Absent reprogramming or impoundment action, these PPAs must be carried out at the prescribed level. The Components may reduce these "statutory adds" only under limited circumstances. The Components may not reduce such statutory adds for general administrative costs or for any other general reduction, unless the statutory language mandating such reduction expressly requires or authorizes that it be applied to each PPA within the affected appropriation account or accounts. Components may use a portion of a section 8006 statutory add for program oversight or administrative costs if directly allocable to the execution of the statutory adds, as it would not entail a reduction of the add. Further, if statutory language requires or authorizes reduction to a statutory add, it must be applied to the PPA on a proportional, pro-rata basis.

If limited to a proportionally spread pro-rata share, undistributed reductions required by the following GPs may be taken, when applicable, to section 8006 statutory adds:

- Federally Funded Research Development Centers (FFRDC), where execution of the project level adjustment congressional add involves FFRDCs (sec. 8027(f))
- Small Business Innovation Research (SBIR)/Small Business Technology Transfer Program (STTR) program set-asides (sec. 8054)

Certain GPs earmark a portion of an appropriation for a specific purpose. No reductions may be taken against amounts provided for or pursuant to the following general provisions, unless the reduction is pursuant to statutory language that requires or authorizes reduction to a statutory add or is directly allocable to the execution of the earmark:

- Indian Financing Act of 1974 (sec. 8020)
- Operation and Maintenance, Defense-wide (O&M, DW) Mitigation of Environmental Impacts (sec. 8022)
- Working Capital Fund, Army, Competitive Rates at Arsenal (sec. 8025)

- Civil Air Patrol Corporation (sec. 8026)
- United Service Organizations and Red Cross Grants (sec. 8053)
- Sexual Assault Special Victims' Counsel Program (sec. 8059)
- Fisher House Foundation (sec. 8069)
- Israeli Cooperative Programs (sec. 8075)
- O&M, DW, Public Schools on Military Installations (sec. 8109)
- O&M, DW, mitigating military aviation noise (sec. 8120)
- O&M, DW, International Security Cooperation Programs (sec. 8135)
- O&M, DW, key cooperating nation reimbursements for logistical support (sec. 8136)
- O&M, DW, reimbursements for enhanced border security (sec. 8137)
- Ukraine Security Assistance Initiative (sec. 8139)
- Iron Dome (sec. 8142)

Any questions concerning this matter should be directed to Robert Talcovitz at (703) 697-0023 or robert.d.civ@mail.mil.



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cc:  
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