



Request For Additional Fiscal Year 2017 Appropriations

March 16, 2017

Office of the Under Secretary of Defense (Comptroller)/CFO

Purpose

- Provide a summary of what is included in the \$30 billion March request for additional appropriations

(Dollars in Billions)

– Base budget request	\$+24.9
– Overseas Contingency Operations (OCO) budget request	<u>+5.1</u>
– Total budget request	\$+30.0

- Request the Congress pass a full year Defense Appropriations bill that includes this request for additional appropriations
- Under a CR,
 - There is a tremendous mismatch of appropriations compared to the request - not enough operating funds, too much procurement funds
 - Inability to increase rate productions hampers planned programs; may result in increased unit costs
 - No new start restrictions affect planned deliveries of equipment to the warfighter
 - DoD could be limited in its ability to counter the Islamic State of Iraq and Syria (ISIS)

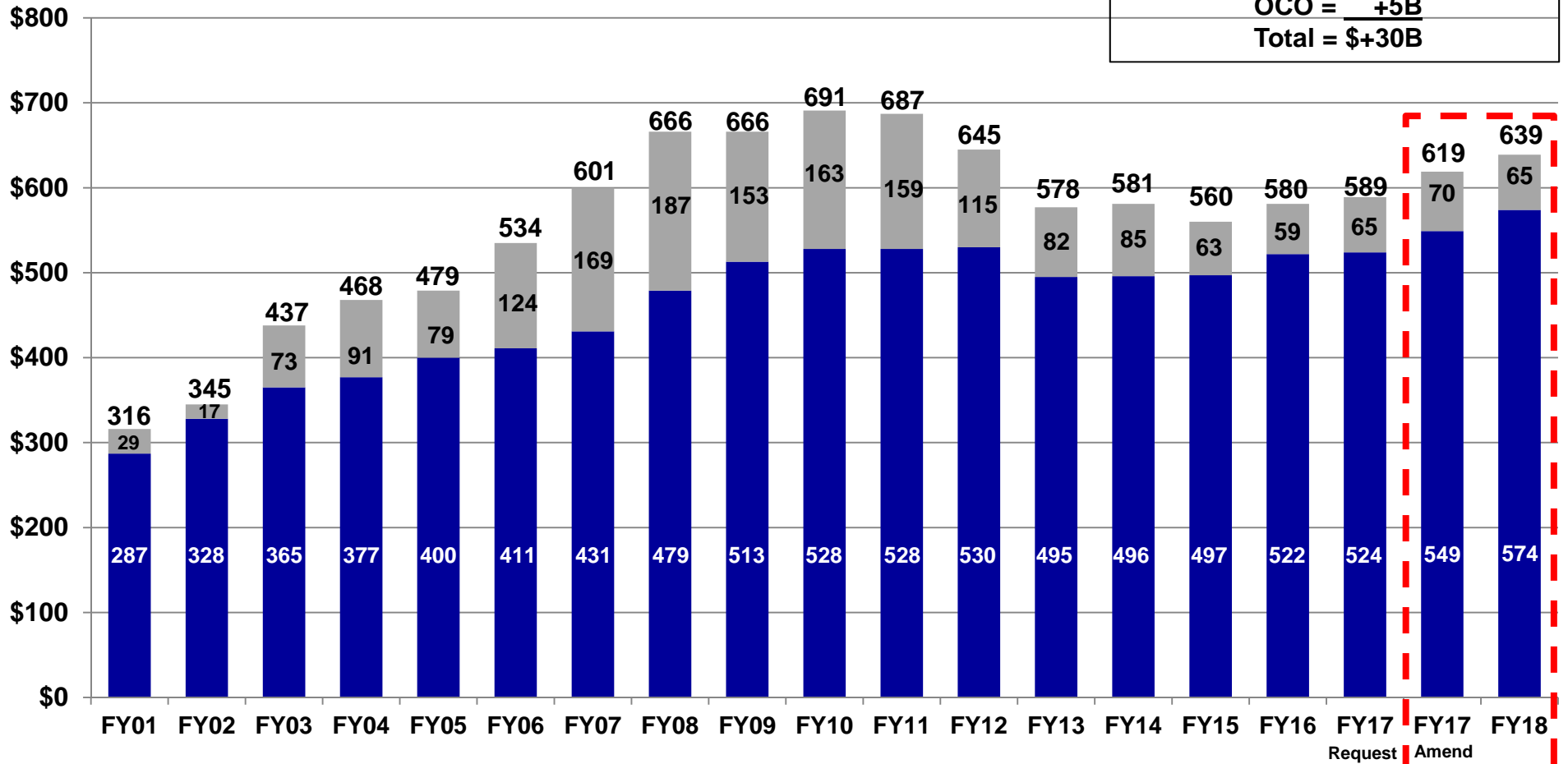
What the FY 2017 Additional Request Does

- Execute the President's direction to:
 - Conduct a 30-day Readiness Review
 - Develop a Military Readiness request for additional resources based on the results of the review
 - Develop a plan to accelerate the campaign to defeat ISIS and other worldwide violent extremists organizations
- Require additional funding to:
 - Improve near-term readiness (i.e., maintenance, spare parts, training time, peacetime flying hours, munitions, etc.)
 - Fund “must pay” bills (e.g., pay raise increase to 2.1%, denied healthcare reforms, storm damage to military facilities, NDAA added end strength)
 - Avoid 4th quarter reprogramming actions especially in the operating accounts
 - Invest in items to begin improving mid-term and long-term readiness

DoD Funding from 9/11 Through FY 2018 Request

(Discretionary Budget Authority)

March Request for FY 2017	
Base =	+\$25B
OCO =	+5B
Total =	+\$30B



DoD Topline, FY 2001 – FY 2018

(Current Dollars in Billions)

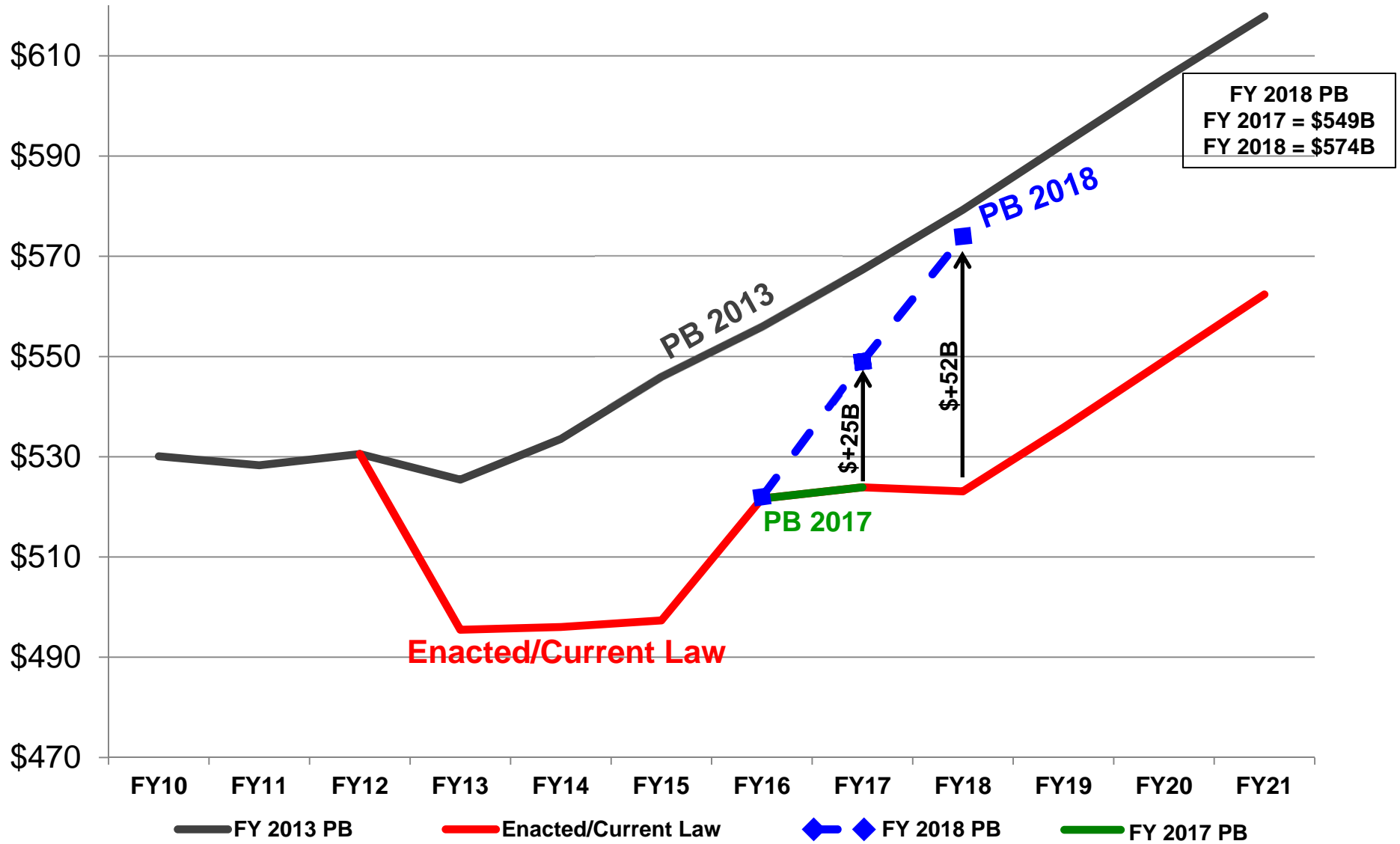
■ Base Budget ■ OCO/Other Budget

Numbers may not add due to rounding

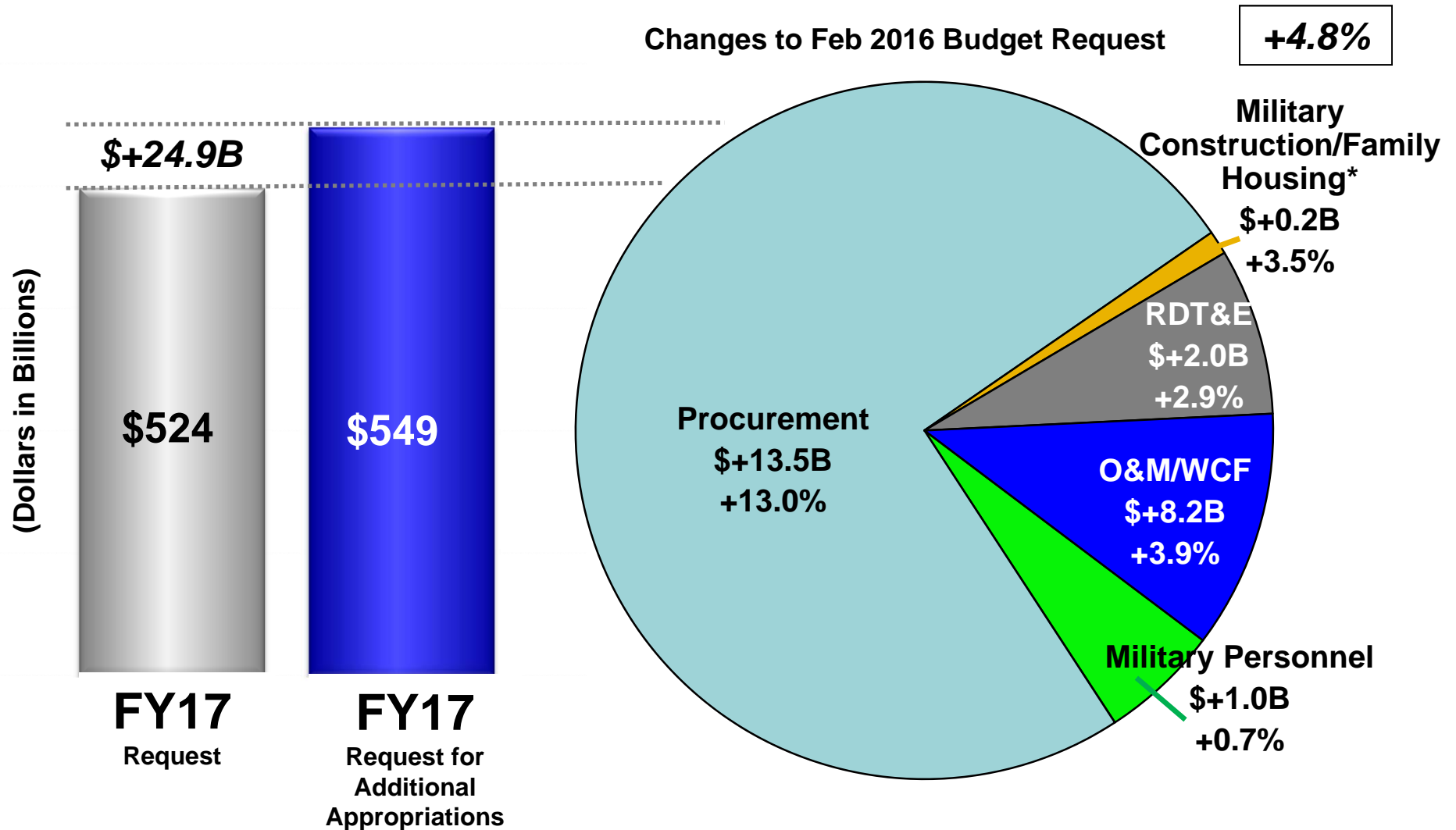
Note: FY 2017 reflects enacted funding provided in division A of P.L. 114-223 for the Military Constructions Bill appropriations and division B of P.L. 114-254 (Security Assistance Appropriations Act, 2017) for the Defense Bill appropriations

The Defense Budget Picture Today

(Base Budget Dollars in Billions)



Changes to Original FY17 Base Budget Request by Title



*Reflects enacted division A of P.L. 114-223 except it excludes \$307.663 million of prior year rescissions

Summary of Services' Readiness Improvements

- **Army:**
 - Funds additional home station training and depot maintenance to ensure future deploying forces are properly trained and equipped.
 - Supports increases in rotational exercises in Korea and defensive cyber operations
- **Navy:**
 - Fills critical shortfalls in ship maintenance to reduce backlogs and funds increased ship operations
 - Supports additional spare parts and maintenance to improve aircraft reliability and increased flying hours to support tactical training
 - Enhances shore readiness by ensuring security forces provide the necessary security environment to protect the military and their families
- **Marine Corps:**
 - Funds critical gaps in combat power through additional counter-UAS capabilities, precision fires, and additional exercises and training
 - Increases investments to sustain and modernize Marine Corps aircraft inventory
- **Air Force:**
 - Expands capacity to fill critical gaps in maintenance; aircrew; Intelligence, Surveillance, and Reconnaissance (ISR); cyber, and Battlefield Airmen
 - Supports increases in pilot production, weapon system sustainment, and cyber and command communications
- **USSOCOM:**
 - Supports participation in expanded training events and modernization of additional intelligence, targeting, and strike enablers
 - Increases ISR, maintenance, and C4I support to deployed and deploying; supports operational enhancements and procures critical platform shortfalls

Services focused on improving near-term readiness and sustaining it

Military End Strength

FY 2017 PB Request vs. FY 2017 Authorized vs. FY 2017 Amended Request

End Strength	FY 2016 Actuals	FY 2017 PB Request	FY 2017 Authorized	FY 2017 NDAA vs. Request	FY 2017 Amended Request (Mar 2017)
Active Forces					
Army.....	475,400	460,000	476,000	+16,000	476,000
Navy.....	324,557	322,900	323,900	+1,000	326,492
Marine Corps.....	183,604	182,000	185,000	+3,000	184,426
Air Force.....	317,883	317,000	321,000	+4,000	321,125
Total, Active Forces.....	1,301,444	1,281,900	1,305,900	+24,000	1,308,043
Guard and Reserve Forces					
Army Reserve.....	198,395	195,000	199,000	+4,000	199,000
Navy Reserve.....	57,980	58,000	58,000	-	58,175
Marine Corps Reserve.....	38,453	38,500	38,500	-	38,940
Air Force Reserve.....	69,364	69,000	69,000	-	69,000
Army National Guard.....	341,589	335,000	343,000	+8,000	343,000
Air National Guard.....	105,887	105,700	105,700	-	105,700
Total, Selected Reserve.....	811,668	801,200	813,200	+12,000	813,815
Total End Strength.....	2,113,112	2,083,100	2,119,100	+36,000	2,121,858

FY 2017 NDAA End Strength +36K over Original Request

Request Supports Future Capabilities (Base Budget)

\$+15.5B*

(Dollars in Millions)

Army \$+4.6B		Navy \$+5.8B		Air Force \$+4.1B		Defense-Wide \$+1.0B	
MQ-1 UAV	+13/\$+130	F/A-18E/F	+24/\$+2,320	F-35	+5/\$+596	THAAD	+12/\$+151
AH-64 Apaches	+20/\$+708	V-22	+2/\$+171	HC/MC-130	+5/\$+500	USSOCOM	\$+198
UH-60	+17/\$+376	V-22 Mods	\$+99	F-16 Mods	\$+160	ACWA	\$+127
RQ-7 UAV Mods	\$+248	P-8	+6/\$+920	C-130 Mods	\$+137		
MSE Missiles	+60/\$+279	C-40A	+2/\$+208	Bombs	\$+60		
Javelin	+591/\$+104	Aircraft Spares	\$+302	Vehicles	\$+361		
Guided MLRS	+1188/\$+155	Tomahawks	+96/\$+85	Physical Security			
Patriot Mods	\$+228	Standard Missile	\$+43	Eq	\$+145		
Abrams Upgrade	+27/\$+330	DDG-51	\$+433	EOD Eq	\$+221		
Bradley Mods	\$+214	Ship-to-Shore					
Ammunition	\$+304	Connector	+3/\$+190				
Ammo Industrial		Javelin	+515/\$+77				
Facility	\$+182	G/ATOR	+3/\$+125				
I ³ MP	\$+195						

I³MP = Installation Info Infrastructure Mod Program
G/ATOR = Ground/Air Task Oriented Radar

EOD = Explosive Disposal Ordinance
MDA = Missile Defense Agency

THAAD = Terminal High Altitude Area Defense
ACWA = Assembled Chemical Weapons Alternatives

Investments Improve Near-term and Mid-term Warfighter Readiness

*Includes procurement and RDT&E funding

Highlights of Additional Request for OCO Activities

(Dollars in Billions)

March FY 2017 OCO Request Total

\$5.1

- Acceleration of the Defeat of ISIS \$2.0
 - Funds additional force management levels, enablers, and intelligence support as approved to support the new strategy to defeat ISIS and other worldwide violent extremists
 - Requests funds in the Overseas Contingency Operations Transfer Fund to enable DoD to respond to changing operational conditions

- Operation FREEDOM'S SENTINEL (Afghanistan) and Theater Posture \$1.1
 - Funds emerging Intelligence, Surveillance and Reconnaissance (ISR) requirements, and other capabilities (e.g., Counter-Rocket Artillery and Mortar intercept systems)
 - Includes Special Operations Forces requirements and Air Force military personnel costs for Reserve Component personnel

- Operation INHERENT RESOLVE (Iraq and Syria) \$1.4
 - Funds Joint Urgent Operations Needs including Counter-Unmanned Aerial systems and high priority ISR requirements that can be quickly fielded
 - Includes Joint Direct Attack Munitions tail kits and JAVAMAN global positioning system improvements

- Counter-ISIS Train and Equip Fund (CTEF) \$0.6
 - Consolidates efforts and increases funding for assistance to Iraqi Security Forces and Vetted Syrian Opposition as they retake the city of Mosul and the city of Raqqa

Summary

- Need Congress to enact a Department of Defense appropriations bill in lieu of extending the Continuing Resolution (CR) for the Department of Defense
- Under a CR,
 - There is a tremendous mismatch of appropriations compared to the request - not enough operating funds, too much procurement funds
 - Inability to increase rate productions hampers planned programs; may result in increased unit costs
 - No new start restrictions affect planned deliveries of equipment to the warfighter
 - DoD could be limited in its ability to counter ISIS
- DoD needs its full appropriation to include:
 - \$30 billion increase to rebuild the Joint Force and to accelerate the campaign to defeat ISIS worldwide
- Full support from Congress is key to:
 - Improving warfighter readiness
 - Providing the most capable, modern force
 - Increasing the BCA funding cap for Defense

FY 2017 President's Budget By Appropriation Title

(Discretionary Budget Authority, Dollars in Billions)

By Appropriation Title	Prior Requests + Enacted			March Request			Revised		
	Base*	OCO	Total	Base	OCO	Total	Base	OCO	Total
Military Personnel	135.3	3.7	139.0	+1.0	+0.1	+1.1	136.2	3.8	140.1
Operation & Maintenance	206.0	50.1	256.1	+7.2	+3.6	+10.8	213.2	53.7	266.9
Procurement	102.6	9.9	112.5	+13.5	+1.0	+14.5	116.0	10.9	126.9
RDT&E	71.4	0.5	71.9	+2.0	+0.4	+2.4	73.5	0.9	74.3
Military Construction	6.7	0.2	6.9	+0.2	+<0.1	+0.2	6.9	0.2	7.2
Family Housing	1.3	--	1.3	--	--	--	1.3	--	1.3
Other	1.4	0.1	1.5	+1.0	+<0.1	+1.0	2.3	0.1	2.5
TOTAL	524.6	64.6	589.2	+24.9	+5.1	+30.0	549.6	69.7	619.2
Defense Bill	516.6	64.4	581.0	+24.7	+5.1	+29.8	541.3	69.5	610.7
Military Construction Bill*	8.0	0.2	8.2	+0.2	+<0.1	+0.2	8.2	0.2	8.5

Numbers may not add due to rounding

***Does not include enacted prior year military construction bill rescissions of \$307.662 million**

Note: Air Force's March request includes a \$12.3 million rescission from Military Construction, Air Force, 15/17

FY 2017 President's Budget By Military Department

(Discretionary Budget Authority, Dollars in Billions)

By Military Department	Prior Requests + Enacted*			FY 2017 March Request			Revised		
	Base	OCO	Total	Base	OCO	Total	Base	OCO	Total
Army	123.1	29.5	152.6	+7.2	+1.2	+8.4	130.3	30.7	161.0
Navy	155.7	9.8	165.5	+9.0	+0.4	+9.4	164.7	10.2	174.9
Air Force	151.2	16.4	167.6	+6.9	+0.6	+7.5	158.2	17.0	175.2
Defense Wide	94.6	9.0	103.6	+1.8	+2.9	+4.7	96.4	11.8	108.2
TOTAL	524.6	64.6	589.2	+24.9	+5.1	+30.0	549.6	69.7	619.2

Numbers may not add due to rounding

Note: Air Force's March request includes a \$12.3 million rescission from Military Construction, Air Force, 15/17

*Does not include prior year military construction bill rescissions of \$307.662 million

For More Information

- Visit the website for the Office of the Under Secretary of Defense (Comptroller) at
 - www.budget.mil
 - Download the Department of Defense's FY 2017 Budget Request



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