

**American Society of Military Comptrollers**

**Professional Development Institute**

**San Diego**



**Current Budget Issues**

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

# Rebuilding the U.S. Armed Forces

- Get Ready
  - FY 2017 added resources to improve near term readiness
- Get Balanced
  - FY 2018 budget request builds on readiness improvements in the FY 2017 budget and adds resources to balance the force
- Get Bigger and More Lethal
  - The goal in FY 2019 will be to sustain the gains in FY 2017/FY 2018 and, informed by the new defense strategy, build further to achieve a bigger more lethal and ready force

# FY 2018 Budget Request

Base Budget Request	\$574.5 billion
Overseas Contingency Operations (OCO)	<u>\$64.6 billion</u>
Total	\$639.1 billion

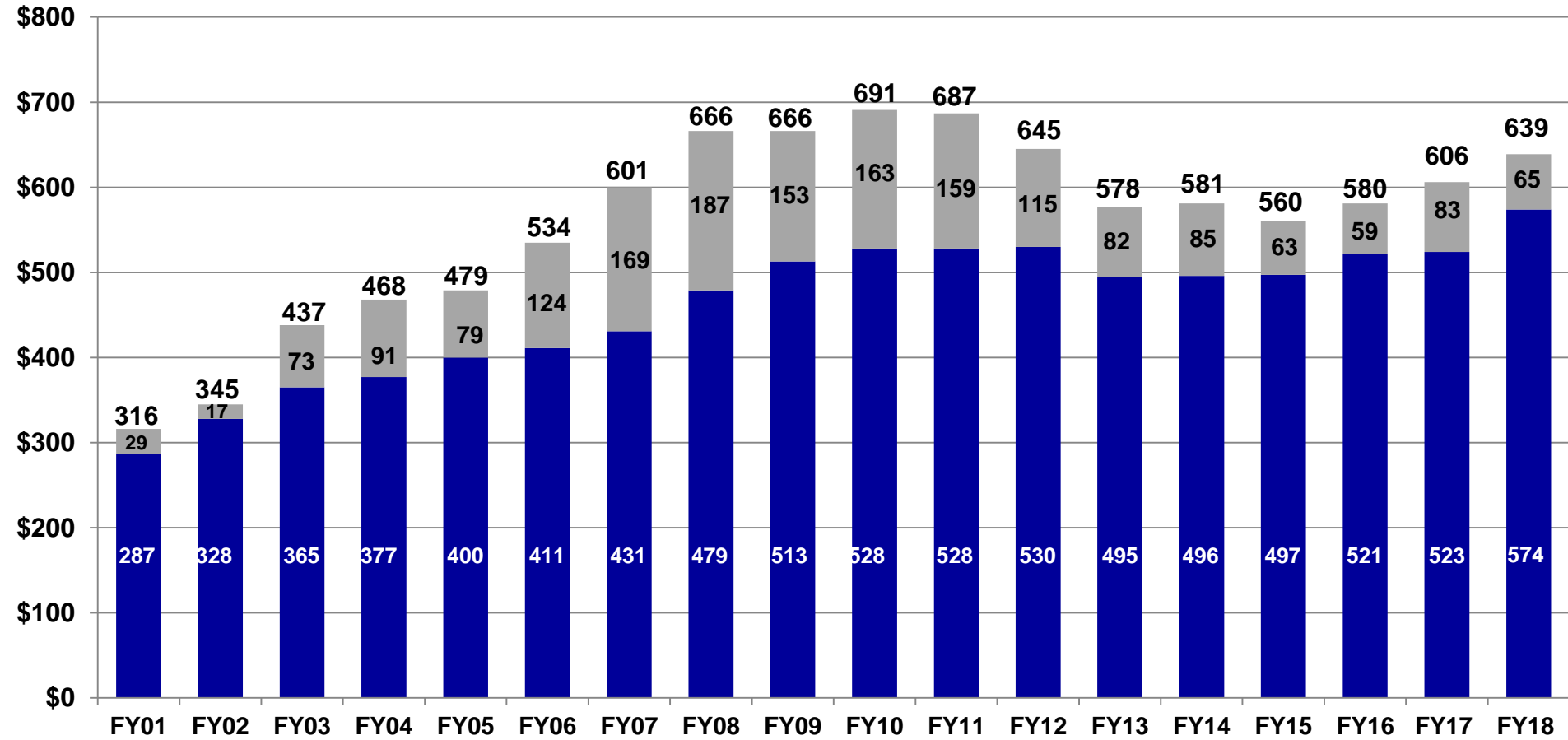
- Base budget request is \$52 billion above DoD's share of the FY 2018 Defense budget cap in current law
- Must increase the Defense budget cap in order to adequately protect U.S. national security
- Since enactment of the BCA, the world has become a more dangerous place with rising terrorism and more aggressive potential adversaries
- Under the BCA, the military has become smaller, readiness has eroded, and modernization has been deferred
- This budget begins to balance the Defense program and establishes a foundation for rebuilding the U.S. military into a more capable, lethal and ready joint force

# FY 2018 Themes

- Improving warfighter readiness
  - More aircraft in the air, ships at sea, troops in the field, and munitions on hand to rebuild the current force
- Address evolving national security challenges
  - Retain counterterrorism/counter insurgency competencies
  - Preserve competitive advantage versus major adversaries
  - Sustain capability development for new warfighter concepts
- Recapitalize and modernize nuclear enterprise
- Prioritize key investments in cyber and space capabilities
- Focus on innovation to maintain technological advantage
- Sustain the finest fighting force in the world
- Identify reforms to improve efficiencies and achieve cost savings

# DoD Funding from 9/11 Through FY 2018 Request

(Discretionary Budget Authority)



## DoD Topline, FY 2001 – FY 2018

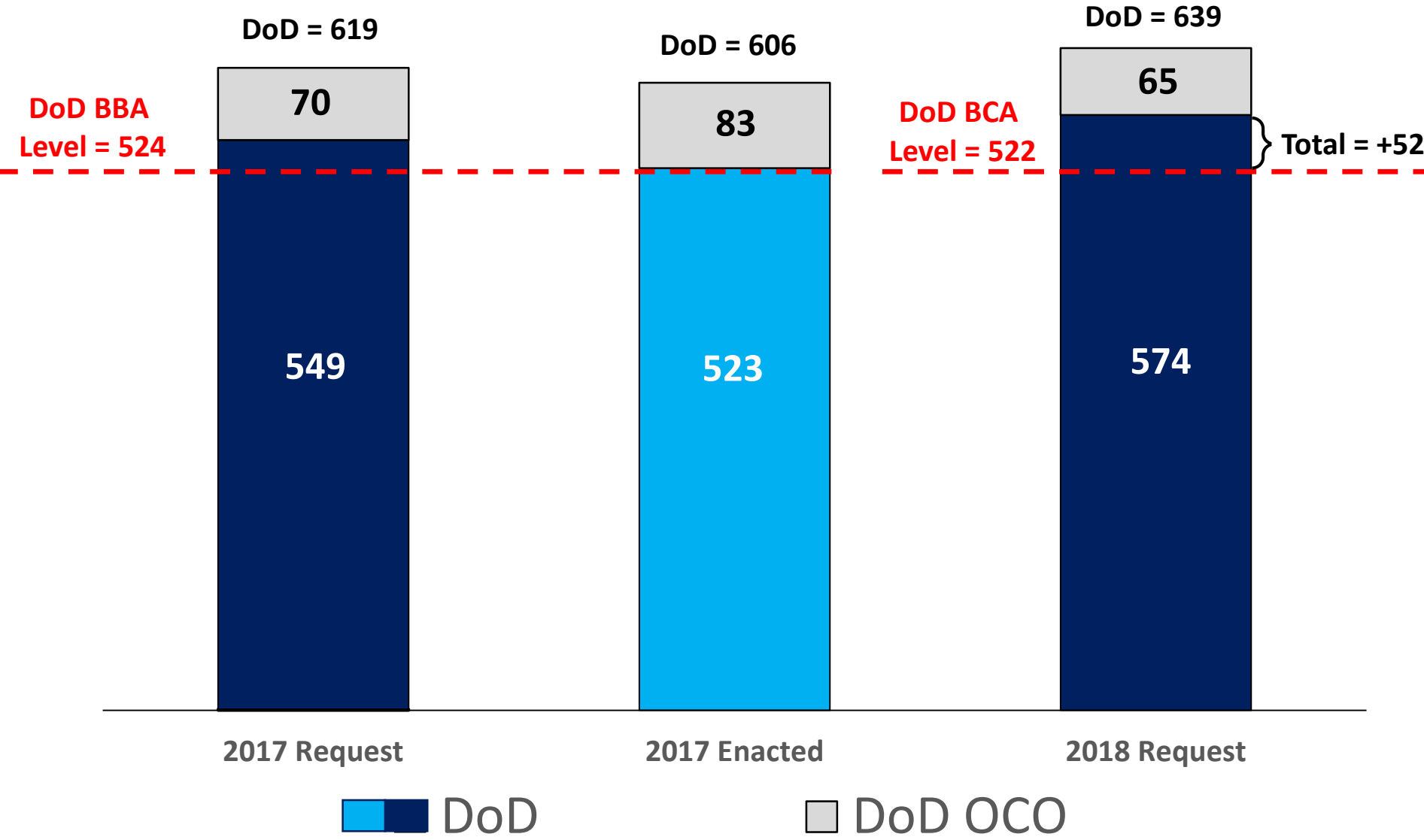
(Current Dollars in Billions)

*Numbers may not add due to rounding*

**■ Base Budget** **■ OCO/Other Budget**

# Defense Budget Request

(\$ in Billions)



Numbers may not add due to rounding

# FY 2018 Overseas Contingency Operations (OCO)

(Dollars in Billions)

<b>Operation FREEDOM'S SENTINEL (Afghanistan) and Theater Posture</b>	<b>45.9</b>
– Maintains in-country presence of 8,448 force level for train, advise and assist and counterterrorism efforts	
– Funds training and equipping of Afghan security forces, including Afghanistan aviation modernization (\$4.9 billion)	
– Includes other theater-wide support requirements and costs	
– Provides support for coalition forces (\$1.3 billion)	
<b>• Operation INHERENT RESOLVE (Iraq and Syria)</b>	<b>13.0</b>
– Supports ongoing operations against ISIS and maintains 5,765 force level	
– Includes training and equipping of Iraqi Security Forces and vetted Syrian opposition (\$1.8 billion)	
– Funds preferred munitions to maintain tempo of operations	
<b>• European Reassurance Initiative (ERI)</b>	<b>4.8</b>
– Supports the collective defense and security of NATO Allies, bolsters U.S. partners, and adds new capabilities to improve deterrence and warfighting effectiveness	
• Includes funding for train, equip, and advise efforts to build Ukrainian capacity (\$150 million)	
<b>• Security Cooperation (SC)</b>	<b><u>0.9</u></b>
– Builds partner capacity to conduct counterterrorism, crisis response and other SC missions through training, equipping and other activities (formerly Counterterrorism Partnerships Fund)	
<b>TOTAL OCO REQUEST</b>	<b>64.6</b>

# Reforming How the Department Does Business

- Continues to reduce DoD Major Headquarters Activities' staffs and overhead
  - Complies with FY 2016 NDAA to further reduce the MHA up to 25 percent
- Continues acquisition reform: Better Buying Power 3.0
- Service requirement review boards to evaluate Fourth Estate organizations' contracted services – consolidating contracts to reduce redundancy
- Sustains financial auditability improvements
  - Begin a full financial statement audit in FY 2018
  - Focus on remediating auditor findings
  - Identify solutions to impose business process and information technology changes

**Budget continues to implement previous efficiencies**



# FY 2017 Budget Execution

- Appropriations Act Enacted
  - Base Budget \$528 billion
  - OCO Budget \$83 billion
  - Total Budget \$606 billion
- Provided \$21 billion of the \$30 billion requested in Request for Additional Appropriations
- Significant increase in Operational and Maintenance (O&M) funding
  - Challenge to execute by 30 September
- Begins restoral of readiness
- Need to react to evolving war fighting dynamics

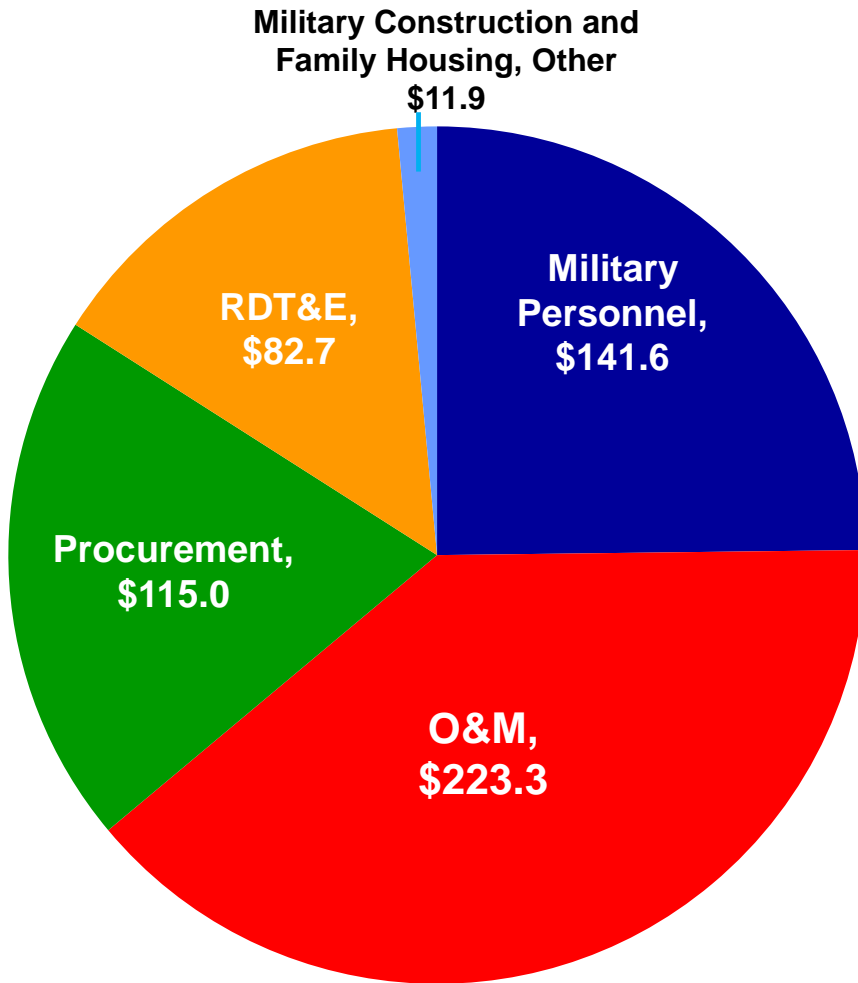
# Summary

- Need to sustain and build on readiness improvements begun in FY 2017
- Begin process of balancing the force to become bigger and more lethal
- Must increase Defense Budget Caps in order to support National Security Strategy and new Defense Strategy

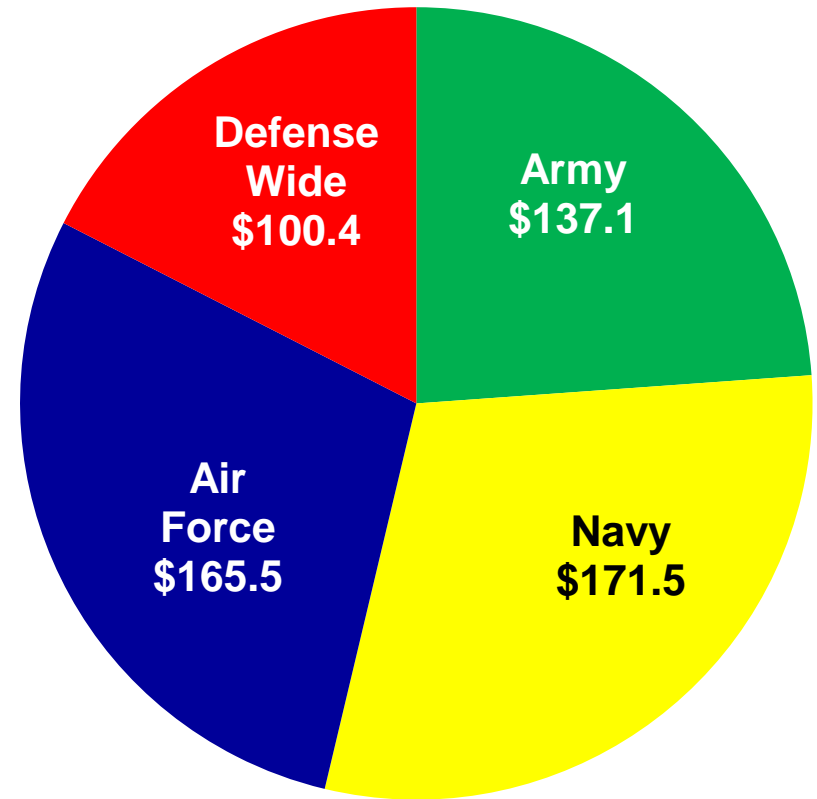
**Get ready. Get balanced. Get bigger and more lethal.**

# FY 2018 Base Funding

## By Appropriation Title



## By Military Department

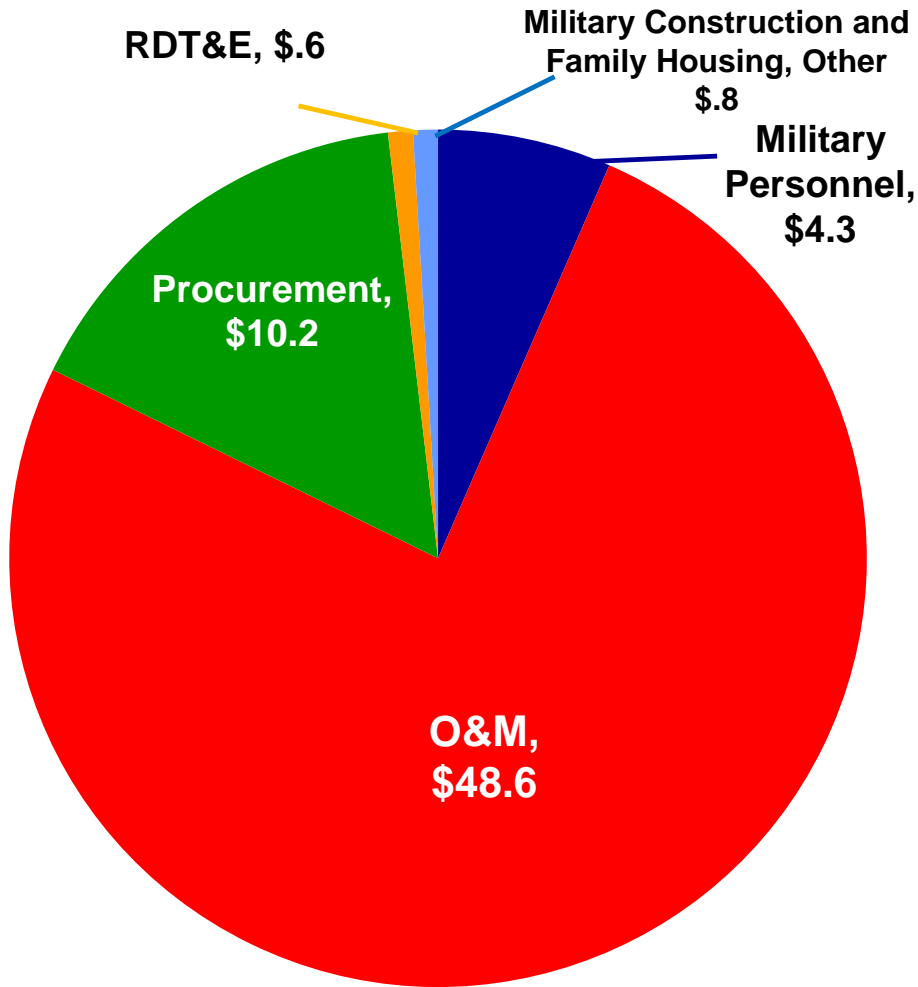


**FY 2018 Request: \$574.5 billion**

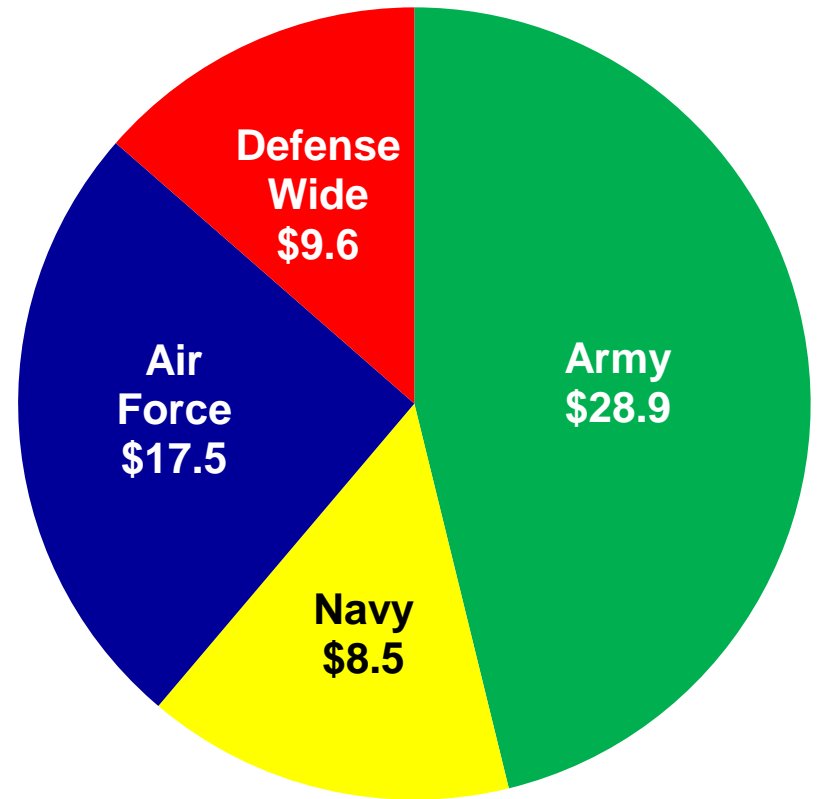
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# FY 2018 OCO Funding

## By Appropriation Title



## By Military Department

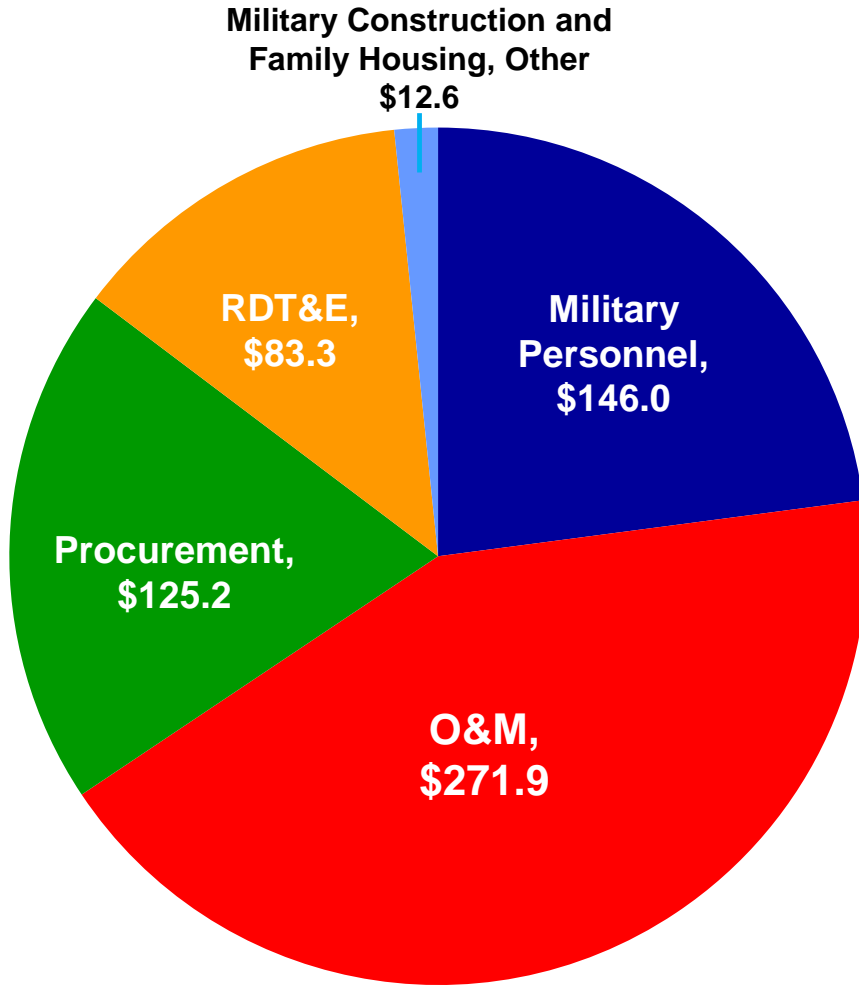


**FY 2018 Request: \$64.6 billion**

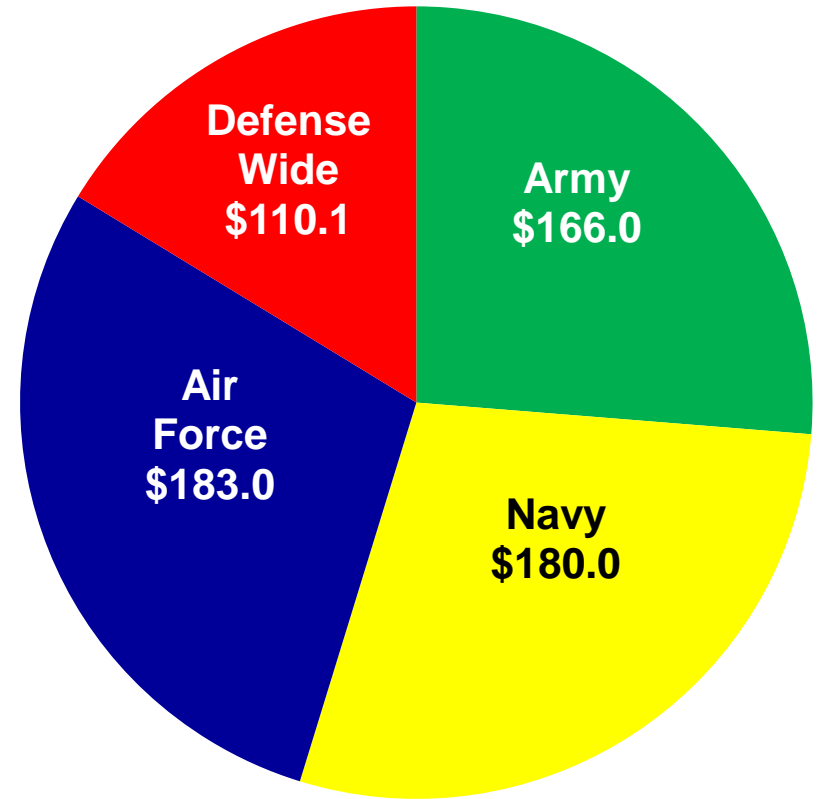
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# FY 2018 Total Base and OCO Funding

## By Appropriation Title



## By Military Department



**FY 2018 Request: \$639.1 billion**

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# For More Information

- Visit the website for the Office of the Under Secretary of Defense (Comptroller) at
  - [www.budget.mil](http://www.budget.mil)
  - Download the Department of Defense's FY 2018 Budget Request

