



**Panel #39: Joint Service Panel  
Challenges and Impacts of the Sustained  
~~Austere~~ Budget Environment**

*Uncertain*

## **Panel #39: Joint Service Panel**

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### **Challenges and Impacts of the Sustained Austere Budget Environment**

#### **Overview:**

0915-0930: Introductions and Opening Comments

0930-0945: Comments by Panel Member (USMC)

0945-1000: Comments by Panel Member (USAF)

1000-1005: Questions posed by Panel Chair to Panel Members

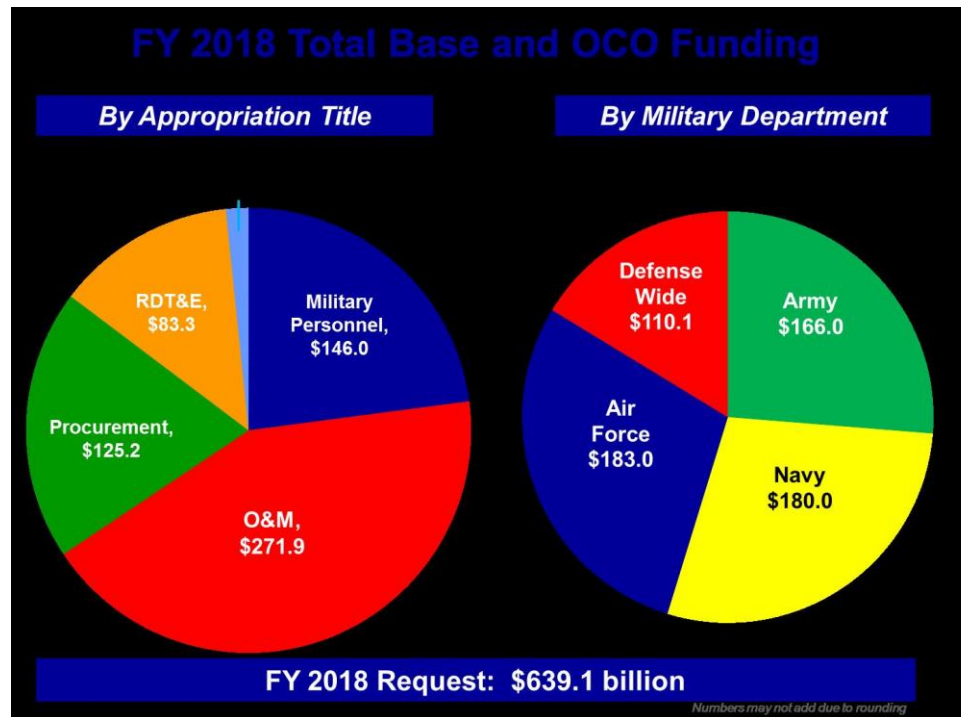
1005-1025: Questions posed by audience to Panel Members

1025-1030: Final comments by Panel Members

- FY18 Budget: rebuild warfighting readiness and restore program balance
- Fix the holes created by previous budget cuts
- Assumptions were wrong. Since enactment of the BCA:
  - The world has become more dangerous
  - At the same time, the BCA, as intended, resulted in a smaller military
    - However: training, maintenance, and modernization have been deferred
    - Result: degraded warfighting readiness
- The Fix: 3-step process:
  - Amend the 2017 budget
  - The 2018 budget
  - Develop new National Defense Strategy as the basis for the 2019 budget

**SECDEF to Congress: the BCA and sequestration have “done more damage to our readiness than the enemies in the field.”**

# Fiscal Year 2018 Budget Request, DoD



- Total: \$639.1B
  - \$574.5B in the base budget
  - \$64.6 B in the Overseas Contingency Operations (OCO) budget
- \$52B above the defense budget cap in the Budget and Control Act (BCA) of 2011.

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Austere Budget Environment**

**U. S. Marine Corps,  
Mr. Ed Gardiner**



# **Joint Service Panel**

## **Challenges and Impacts of the Sustained Austere Budget Environment**

**SES Ed Gardiner**  
**Assistant Deputy Commandant Programs & Resources,  
Resources**

**2 June 2017**

**05/15/17 V2**

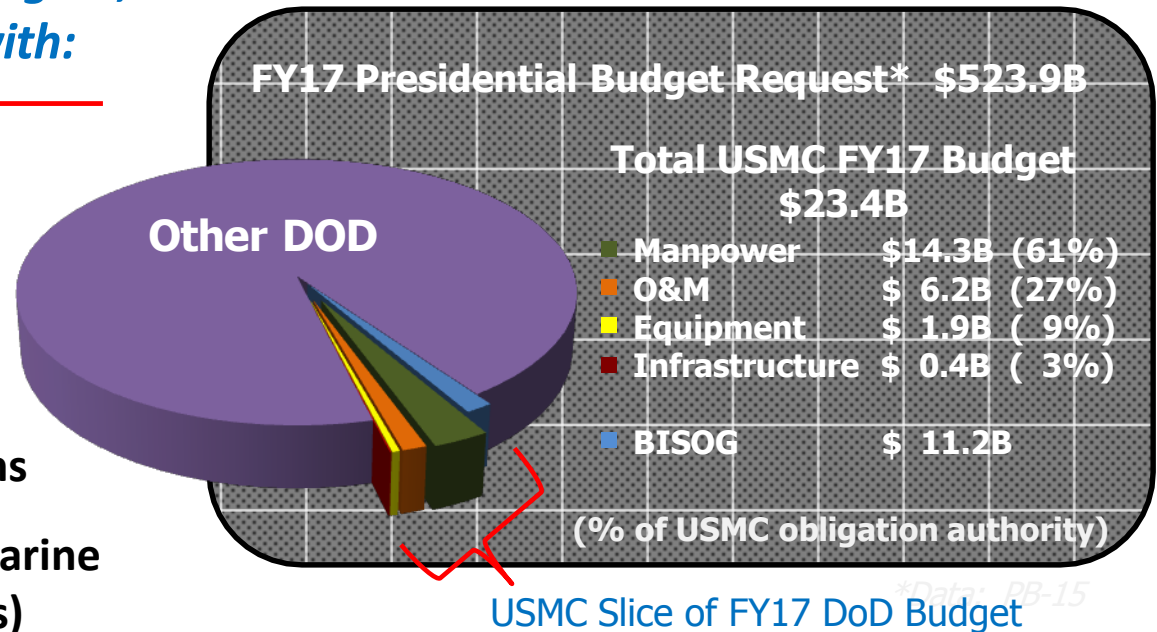
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# Contributive Value of the Corps

*For ~8% of the Defense Budget\*, we provide the Nation with:*

- \* 25% of Active Infantry battalions
- \* 14% of Fighter/Attack aircraft
- \* 18% of Artillery battalions
- \* 7 flexible and scalable Marine Expeditionary Units (MEUs) deployed on amphibious ships



*~ 8% of the DoD Budget represents FY17 USMC Green dollars, Blue In Support of Green (BISOG) dollars (aviation programs) and other Navy dollars supporting the USMC (e.g. S2S Connector Programs, Navy Corpsman, Doctors and Chaplains, and the average annual cost to build amphibious war ships).*

\*Not including \$12B aviation (Blue in support of Green)

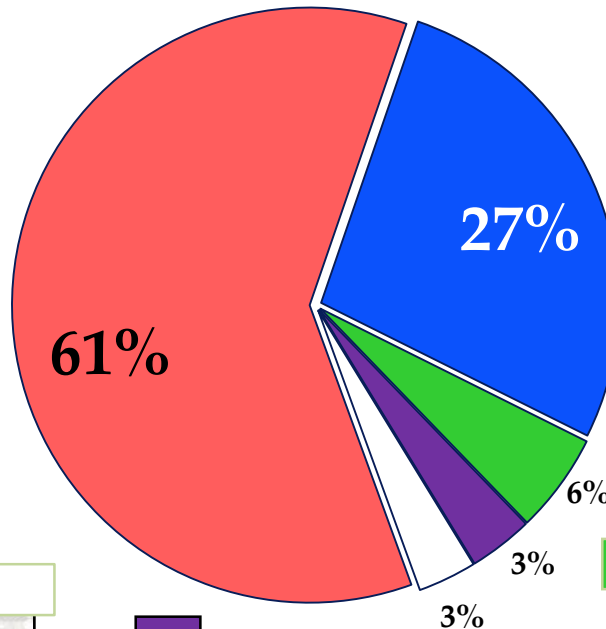


# USMC Base Budget

## MilPers: \$14.3B

Basic Pay	\$6,369M
Housing Allowance	\$2,068M
Retired Pay Accrual	\$1,876M
Reserve Personnel	\$810M
Subsistence	\$880M
Allowances	\$376M
Special Pays	\$90M
PCS	\$433M
Separation Pay	\$111M
Other	\$104M

## FY17Base: \$23.4B



## O&M: \$6.2B

Base Support	\$2,248M
Operating Forces	\$769M
Field Logistics	\$947M
Depot Maintenance	\$225M
Prepositioning	\$85M
Training	\$590M
Recruiting/Advertising	\$166M
Service Wide Support	\$536M
FSRM	\$658M

## Infrastructure: \$472M

Military Construction	\$426M
Family Housing Operations	\$34M
Family Housing Construction	\$12M

## RDT&E: \$787M

ACV	\$159M
G/ATOR	\$84M
Other RDT&E	\$544M

## Procurement: \$1.6B

Procurement of Ammunition, Navy & Marine Corps	\$195M
Procurement, Marine Corps	\$1,363M





# Current Environment

## Increasing Cost of Manpower

CY 2015 Dollars

Year 2000	Year 2015
	
<b>Basic Rifleman's Cost</b>	
≈\$2,390 †	≈\$13,697 †

† Night Vision Goggles not included

## Increasing Demands

- Constrained Budget
- High Operational Demand
  - SPMAGTFs, Iraq, Afghanistan, MEUs
- Enemy Threat capabilities
- Reagan era equipment set
  - Only 7% of portfolio went toward modernization
- USMC Must Modernize & Add Capabilities
  - C2 in a denied environment
  - Protected mobility
  - Long range precision fires
  - Cyber

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**Air Force,  
Brig Gen John Pletcher**

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## **Challenges and Impacts of the Sustained Austere Budget Environment**

**Questions**

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### **Challenges and Impacts of the Sustained Austere Budget Environment**

**THANK YOU!**

**See you in Denver...**